THE CO-OPERATIVE MOVEMENT IN INDIA:

A COMPARATIVE STUDY

BY

J. L. RAINA, B.A., M.R.A.S. (*Lond.*)

Author of: "Means of Communication in the last Century in the Kashmir State," "Economic Evils of Early Marriage" Etc., etc.

FOREWORD

BY

P. A. WADIA

Professor of Politics and Economics, Wilson College, Bombay; Author of "The Wealth of India," "Money and the Money Market in India," etc.

BOMBAY:

D. B. TARAPOREVALA SONS & Co.

"KITAB MAHAL," 190, HORNBY ROAD

1928

Printed by E. P. Menon, at the "Indian Daily Mail"
Press, 9, Bakehouse Lane, Fort, Bombay.

FOREWORD

The ailments of our present day economic life, have engaged the attention of reformers and statesmen on the one hand, and the world's thinkers on the other. Many have been the remedies proposed by the latter and experimented on by the former. It is significant that the Co-operative Movement in the stricter sense, is based on ideals that have a far wider bearing, and reaches the roots of human life and human institutions, in so far as it stresses the idea that mutual help and trust and the insight based on personal knowledge of our fellows, will achieve in all fields of life—economic and non-economic —what legislation and assistance by rule-bound officials may fail to achieve.

The provision of cheap credit for industry—agricultural and non-agricultural—for the supply of raw material, for implements and tools, for transport and marketing, through an organisation that secures mutual help and neighbourly interest, and rests on a sense of corporate responsibility, is a vital need of this country. But the resources which are ready to be made available for such a purpose by the spontaneous flow of indigenous savings, are limited—and there is nothing so tragic as the complete lack of vision and statesmanship exhibited in the drafting of the Reserve Bank Bill, when the institution that was to use the

credit resources of this continent of ours was to carry on its work in complete oblivion of the great test of providing cheap credit for agricultural and industrial purposes.

This comparative study of the Co-operative Movement will draw attention to the value of this Movement and the potentialities that lie behind it.

BOMBAY, P. A. WADIA.

25th July 1928.

PREFACE

This book is a compilation from the notes I kept during my tour through four of the Indian provinces. It would have been a difficult, if not an impossible task, had I not personally visited the areas concerned, consulted the officials, and seen for myself the internal workings and conditions of the societies and institutions referred to in this work. Several books on the Co-operative Movement in India have been written, but the practical side, which is the important feature of the Movement, has always been overlooked, and hence those books do not serve our purpose. Studies of the Movement in Europe, written by Messrs. Darling and Strickland of the Punjab, have proved of great benefit to the Indian co-operator. It is my fervent hope that a study of the Indian movement may be as fruitful to solicitous Indian economists, and help to improve the condition of the depressed classes, their lands and villages, and the wage-earners in the larger towns and cities.

The Co-operative Movement is progressing rapidly in India owing to the initiative of the Government and the exertions of the landed gentry and educated middle classes. Bombay has done well in establishing District Banks and Housing Societies; the chief feature in Madras has been the successful

working of its wholesale and retail Stores; Bengal has an exemplary credit system in force, whilst the Movement is making rapid headway in the United Provinces.

Official co-operators and Provincial Officers have willingly afforded me every opportunity to learn and study the Movement in all its aspects in their respective provinces. Of these I would like to make special mention of Pandit S. B. Misra of the U. P., Mr. G. F. S. Collins of Bombay, Mr. K. Devashikhamany of Madras, and Rai Bahadur J. M. Mitra of Bengal.

I am also grateful to non-official co-operators for extending me their kind help and sympathy, my thanks being specially due to Rai Bahadur Raj Nath Sahib of Allahabad, Pandit Kishen Parshad Koul, Servants of India Society, and Mr. K. N. Chak, Bar.-at-Law of Lucknow.

I am much indebted to Mr. G. K. Devadhar, M. A., C. I. E., President of the Provincial Co-operative Institute, Bombay, for his introductions, timely instructions, and consideration in many matters. My thanks are also due to Rai Bahadur Talmanki, the founder of the Housing Societies in Bombay, Rai Sahib Desai and all Members of the Servants of India Society for their many kindnesses to me at Poona.

In Madras my particular thanks are due to Messrs. V. Venkatasubhya, Shiva Swamy Iyer of the Servants of India Society, and to Professors Hanmant Rao and Yagnanaudan Iyer for their sympathy.

Mr. V. Ramdas Pantalu, the President of the Co-operative Federation, Madras, besides discussing the Madras Movement with me, placed at my disposal all literature that was available to him, and for his help and sympathy I am very grateful. Thanks are also due to Mr. Lahiri of the Co-operative organization of Bengal.

I acknowledge thanks to all those who have helped me in this enterprise, and also to those who stood in my way in completing my work in Kashmir.

Mr. K. M. Panikkar, B. A. (Oxon), now in Kashmir service, kindly went through the manuscript, and it is his persuasion alone which made me send this work to the publishers.

JAMMU, J. L. RAINA.

21*st May* 1928.

CONTENTS.

	Page.
Foreword	iii
Preface	v
Contents	ix
Chapter I.—Introduction	1
Indian Agriculturists and Moneylenders	2
Need of Credit and Capital to Agriculturists	2
The Co-operative Credit Societies Act, 1904	3
Act of 1912	4
1. MAIN FEATURES OF SUCCESS—State Control	6
The Swarajists and Mahatma Gandhi's Movement	8
Co-operation, an Economic Movement	11
General Attitude	12
Work of Leaders	13
2. CO-OPERATIVE CREDIT—Credit Societies	14
Long Term and Short Term Loans	16
Direct Dealings with an Individual	16
Imitating Other Countries	17
Sir Manubhai Mehta on Co-operative Credit	18
What It should be	20
Aims of Co-operative Credit	21
Spread of the Movement	21
3. CO-OPERATIVE NON-CREDIT	22
What should be the Definition	24
4. CONCLUSION	25

PAGE

Chapter II—Bombay Presidency 28

2. STATE-AID 29
3. BOMBAY CENTRAL CO-OPERATIVE INSTITUTE 30
4. CREDIT SOCIETIES 33
5. HADAPSAR CO-OPERATIVE CREDIT SOCIETY (UNLIMITED) 35

Manure Society 37

Sale Society 38

6. AGRICULTURAL NON-CREDITS 39
7. GUR (MOLASSES) SALE SOCIETY .. 40
8. COSMOS CO-OPERATIVE CREDIT SOCIETY 42
9. TALUKA DEVELOPMENT ASSOCIATIONS 45
10. STUDENTS' STATIONERY SOCIETY, POONA 47
11. PROVINCIAL CO-OPERATIVE BANK, BOMBAY 48

District Banks 52

Poona Central Co-operative Bank 53

System of granting loans—Realisations—Rate of Interest 53

Management—Miscellaneous—Societies 54

Sale Shop 55

12. HOUSING SOCIETIES 55
13. CONSUMERS' MOVEMENT 59
14. PRODUCERS' MOVEMENT 59

PAGE.

Chapter III—Madras 61
2. NATURE OF CO-OPERATION AND STATE AID 62
3. PROPAGANDA.. 65
4. AGRICULTURAL CREDIT SOCIETIES .. 66
5. WEAVERS' SOCIETY, PILLAI PALIUM, CONJEEVERAM 70
6. SMALL CREDIT SOCIETIES OF CHINGLEPUT 71
7. LAND MORTGAGE BANKS 72
8. MADRAS CENTRAL URBAN BANK .. 75
Conjeeveram Central Bank 76
Loans to Societies on an Unlimited Liability basis —Loans to Individuals 79
9. MADRAS TRIPLICANE URBAN CO-OPERATIVE SOCIETY, LTD. 80
10. MADRAS SALT LAUNDERS' CO-OPERATIVE SOCIETY, UNLIMITED 84
11. MOUNT ROAD FIRMS' EMPLOYEES' CO. LTD. 87
12. BUILDING SOCIETIES 89
The Madras Government Servants Co-operative Building Society 89
Interest—Roads and Drainage—General 90
13. MISCELLANEOUS 91
Chapter IV—Bengal 93
2. GENERAL READING OF THE MOVEMENT IN BENGAL 94
3. AGRICULTURAL CREDIT SOCIETIES .. 95

	Page.
4. BENGAL CO-OPERATIVE ORGANISATION SOCIETY, LTD.	97
5. AGRICULTURAL PURCHASE AND SALE SOCIETIES	98
6. IRRIGATION SOCIETIES	103
7. CO-OPERATIVE AGRICULTURAL ASSOCIATIONS	103
8. MILK SUPPLY SOCIETIES	104
9. NOWGAON GANJA CULTIVATORS' SOCIETY, LTD.	107
10. OPERATIONS OF AGRICULTURAL SOCIETIES	108
Credit Societies—Stores and Supply Societies ..	108
Artisans' Societies—Conch Shell Societies ..	109
Fishermen's Societies	110
Weavers' Societies—Bajehat Weaving Union, Ltd.	111
Zamindari Societies	112
11. ANTI-MALARIAL SOCIETIES	113
12. BENGAL PROVINCIAL BANK	115
13. OFFICIAL AND NON-OFFICIAL SIDE OF THE MOVEMENT	116
Chapter V—The United Provinces	117
2. HISTORY OF THE MOVEMENT	118
3. FATEHPUR DISTRICT CO-OPERATIVE BANK	122
4. UNITED PROVINCES POSTAL CO-OPERATIVE SOCIETY, LTD.	126
5. KATRA CO-OPERATIVE DAIRY, LTD.	127
CONCLUSION	129

CHAPTER I.

INTRODUCTION.

In 1905, Mr. (now Sir) Albion R. Banerjee, M.A., I. C. S., C. S. I., C. I. E., in the opening para of his inaugural speech, as President of the Kumbakonam Agricultural Association, said that if a Co-operative Association was started, it should not be of an ephemeral character, existing merely on paper and doing no real work, but should possess promise of enduring vitality and growing usefulness; that the members should cordially welcome such an association if they were really desirous of participating in it, and that for making an association a success, the principal difficulties in the way should be recorded, and suggestions for removing them should be made in an eminently simple and practical manner. When this speech was made, the Co-operative Societies Act of 1904 was already in force. Those chiefly concerned were eagerly anticipating the introduction of the Co-operative Movement in India, on the same lines as are in force in Europe, for solving the problem of rural credit and agrarian indebtedness. During the last quarter of the 19th Century, owing to various causes, India was confronted with the acute problem of rural indebtedness. After considering the question and its remedies, for a number of years, the Government of India

at last decided that the introduction of Co-operative Societies into the country would be an effective solution of the problem.

Indian Agriculturists and Money Lenders.

An Indian Agriculturist is usually always in debt. However thrifty he may be, he has to go to the money-lender. Frequently he has to borrow money to pay the *kist* or land revenue which generally falls due before the harvest is reaped or, if reaped, before it is sold. It often happens that his bullocks die off unexpectedly, or he has to celebrate the marriages of his children, or incur other unforeseen expenses. The extreme necessity of the agriculturist is the opportunity of the money-lender or *Sowkar*, who is always ready and willing to advance funds to agriculturists at extortionate rates of interest. In these circumstances, the money-lender is a necessary evil.

Need of Credit and Capital to Agriculturists.

An extreme necessity for rural banks was experienced, as early as 1882, and Sir William Wedderburn propounded a scheme to start such banks; but it was rejected by Government on superficial grounds. Half-hearted attempts were made to relieve the agriculturists by the provision of *Takavi* advances under the Land Improvement Loans Act, 1884. These advances are granted to agriculturists by Government through revenue officials, at moderate interest, repayable in easy instalments within a fixed period.

The Co-operative Credit Societies Act, 1904.

The scheme suggested by Sir William Wedderburn created a stir in official circles. Owing to recurring famines due to the failure of rains, and depletion of the soil, the decline in trade and handicrafts, the question of rural indebtedness became serious and Government thought it expedient to institute an inquiry into this acute problem. The *Takavi* advances and the loans under the Land Improvement Loans Act, were not quite successful. All the provinces realized the seriousness of the issue. The Madras Government deputed Sir F. A. Nicholson to Europe to inquire into the working of Land Banks and the Co-operative Movement, and to report on the advisability of starting Land and Agricultural Banks in the Madras Presidency, for alleviating the financial difficulties of the agriculturists. The Madras Presidency was considered a suitable field for starting Co-operative Societies, as indigenous syndicates, like the *Nidhis* were advancing loans to the poor agriculturists, and had already established themselves in that Presidency. Sir F. A. Nicholson's Report and Mr. Duperneix's "People's Bank in Northern India" had at that time come to the notice of the Government of India who were seriously considering the question of introducing Co-operative Credit Societies in India. The Famine Commission recommended the formation of Mutual Credit Associations—Societies which would relieve the agriculturists

at last decided that the introduction of Co-operative Societies into the country would be an effective solution of the problem.

Indian Agriculturists and Money Lenders.

An Indian Agriculturist is usually always in debt. However thrifty he may be, he has to go to the money-lender. Frequently he has to borrow money to pay the *kist* or land revenue which generally falls due before the harvest is reaped or, if reaped, before it is sold. It often happens that his bullocks die off unexpectedly, or he has to celebrate the marriages of his children, or incur other unforeseen expenses. The extreme necessity of the agriculturist is the opportunity of the money-lender or *Sowkar*, who is always ready and willing to advance funds to agriculturists at extortionate rates of interest. In these circumstances, the money-lender is a necessary evil.

Need of Credit and Capital to Agriculturists.

An extreme necessity for rural banks was experienced, as early as 1882, and Sir William Wedderburn propounded a scheme to start such banks; but it was rejected by Government on superficial grounds. Half-hearted attempts were made to relieve the agriculturists by the provision of *Takavi* advances under the Land Improvement Loans Act, 1884. These advances are granted to agriculturists by Government through revenue officials, at moderate interest, repayable in easy instalments within a fixed period.

from the clutches of money-lenders, by finding capital to finance them and drive out usurers from the field. The Government appointed a Committee which recommended the formation of societies on the Raiffaissen basis. This Committee consisted of many experienced persons of repute, viz., Sir Frederick Nicholson, Sir B. Fuller, Mr. J. Wilson, Mr. Reginald Murray and Mr. H. Duperneix, with Sir Edward Law as its President. On the recommendations of the Committee the Co-operative Credit Societies Act (1904) was brought into existence. The main object of the Act was to assist the working classes with credit and capital, and to encourage thrift, self-help and co-operation amongst the agriculturists, artisans and land-holders of limited means. In short, the authors of the Act regarded the Co-operative Credit Societies as a means whereby the economic salvation of the peasantry and the moral uplift of the people of India, would be achieved.

Act of 1912.

The Co-operative Movement made rapid strides in all the provinces soon after the passing of the Act. A large number of societies was launched, but several defects were found and felt in the working of the Act during the years 1904 to 1911. Hence a second Committee, under the presidency of Sir Edward Maclagan, was appointed in 1912, to examine the progress of the Movement and to report on the subject with a view to further development. This Committee after a thorough investigation of

the working of the societies in all the provinces, submitted a comprehensive report on the defects which had been experienced during the years the Act was in force. It was found that the Movement could not be confined to the system of credit only and particularly to agricultural credit which required expansion. The necessity to bring into existence other forms of co-operation was strongly felt, because it was necessary to stimulate economy and frugality among all sections of society. It was accepted that the Movement was meant to give independence to cultivators, and an opportunity to husband their resources and to save some of their earnings for a rainy day and so foil the activities of money-lenders. The Committee recommended (1) the introduction of Central financing agencies which could invite capital from the members as well as from those who had surplus funds and could deposit them with the Commercial Banks; (2) The formation of Societies with a view to creating markets for the sale of the produce of the agriculturists (who are compelled to sell their produce at very low prices to meet the demands of the Government); (3) to join together producers and the consumers, in order to eliminate the middleman, who was depriving agriculturists of the benefit of their labours owing to their necessitous circumstances, and who was growing rich at their expense; and (4) to devise means to remove rural indebtedness by offering capital to agriculturists at low rates of interest.

MAIN FEATURES OF SUCCESS.

The recommendations made by the Committee were accepted and carried out by the Societies in all Provinces. It is necessary, for our purpose, to concentrate attention during our survey, on the weak spots noticed and still existing in the Movement with the object of perfecting the system in the future.

State Control.

The Co-operative Movement has been in existence in India for more than a quarter of a century, but in spite of the strenuous efforts of the Government, who took the initiative in attempting a practical solution for the removal of rural indebtedness in this country, it has not produced the desired result. A Government may help its people by its laws or it may create facilities for the imbecile, it may prevent the oppression of the weak by the strong, it may control the finances; but it is not required that State control should uphold those who act like mendicants or encourage mendicancy. If the Co-operative Movement is meant to make the people thrifty and the agriculturists self-reliant, then why should our people resort to begging and seeking outside help? The craze of depending entirely upon the support of the State, even in initial stages, involves us in the risk of being in perpetual beggary and bondage, and at the same time losing the virtue of self-reliance, the very life of Co-operation. Mr. Russell discussed a similar problem and condemned the Irish, who, he said, had developed a belief in the powers of

the State. He observed that "when a man becomes imbecile, his friends place him in an asylum, when a people grow decadent and imbecile, they place themselves in the hands of the State. Irish people have lost faith in themselves. The State has treated Ireland as a big incapable baby; unable to take care of itself, the official guiding, controlling and spoon-feeding it. The effect of the policy of Westminster is to turn the Irish into a race of economic babies, with their lips for ever nuzzling at the nipples of the State." We should not apply this criticism to India to the extent to which Mr. Russell has applied it to Ireland. We have been so circumstanced that the blame cannot rest exclusively on the uneducated masses of India. The illiteracy of the masses is no excuse for the educated to do nothing in the matter. It must be noted that the German Government did not help the Germans in making the Co-operative Movement a success. All efforts in starting, developing and running it, were made by the people. It was essentially a people's movement. The blame in India lies, therefore, at the doors of those who know, but do not care. The blame really attaches to them, *i.e.* the educated classes who exist by the toil of the agriculturists, and for whom they do nothing in return. Though most of the organized bodies, *e.g.*, the universities, scientific laboratories and other social institutions are maintained from taxes chiefly paid by the cultivators, nothing substantial is done for their benefit or uplift, and they do not

receive, either by way of education or medical relief even a 1000th part of what they pay.

The Swarajists and Mahatma Gandhi's Movement.

The Swarajists in India are after *Swaraj*, but no *Swaraj* is possible without an improvement in the lot of the agriculturists. *Swaraj* could not be gained even by the collection of a crore of rupees, by Mahatma Gandhi for *Charka !* What is the use of this *Charka when a machine can dislodge thousands* and particularly when 72% of the population are dependant entirely upon agriculture for their livelihood, and nothing is done to improve their lot? The efforts made by Gandhiji to get *Swaraj* have, so far, undoubtedly proved futile and it is the wish of an earnest economist that the large funds, raised by the Swarajists, may with profit be utilized in developing and enlarging the Cooperative Movement which will prove an effective remedy for removing the poverty of Indian *ryots*. Let the *Swarajists* take the practical side of the work in hand and let them be an *amicus humani generis*, (*i.e.* a friend of the human race) instead of *ami de cour* (a Court friend) of the agriculturist. Even admitting that indigenous goods are in demand in a locality and that capitalists grow amongst us and belong to the people of India, what consolation does it give to the starving millions, if a few hundreds grow rich in the process ? What India wants is a movement which will improve the economic conditions of all sections of the Community. We want economic development, the fruits of which may be enjoyed by all. To ignore the 72%

of the agrarian population is a sin. There can be no *Swaraj*, there can be no freedom—none worth having—if the masses do not achieve and enjoy economic freedom. In Europe, the Co-operative Movement is recognised as an important factor in nation-building. Mr. George Russell, "the practical Seer of Co-operation" in Ireland, has gone to the extent of saying that the condition of the people in Ireland would be very miserable and that they would be "totally unfit" to bear the burden of Self-Government or Home Rule without the background of the Co-operative Movement. Is it, then, necessary to emphasize the desirability of extending and strengthening the Co-operative Movement in our own country? The necessity of cheap and abundant capital to wipe out agrarian indebtedness, to finance agriculture, to promote thrift and self-confidence amongst the *ryots* and to train the depressed classes to manage their own affairs—all these objects can be attained by an effective Co-operative Movement.

Co-operation can be adopted in every walk of life. If it be argued that the *Charka* will provide work for the unemployed and that the use of *Khaddar* will create a demand for it which will give employment to the starving, the argument loses its force when we remember that on the very soil where Mahatmaji started the movement of *Charka*, the Mills are manufacturing cotton piecegoods. But if a labourer co-operates with his brother labourers, he can oust the Contractor and take the profits to himself, sharing it with others;

he can create work for himself and for his friends, and the profit, that ordinarily goes to the Capitalist, will be distributed to this union of labourers.

People do co-operate ordinarily, unconsciously and without knowledge, as they have to work towards a common end, but all these workers do not receive their rewards equally. A labourer in a mill is as indispensable as the manager or for the matter of that even the Director. But how is it that the labourer who, be it granted, falls short of the efficiency of the manager or does not take the risks of a Director, comparatively gets a very small wage? The agriculturist works in the field and produces the food stuffs, the consumer pays, the shopkeeper and the middleman bring the two together: then how is it that the cultivator gets for his labour far less than the shop-keeper or the broker ? Do they not co-operate ? Yes, they do, but the right spirit of Co-operation is wanting, and the middleman takes the profit and gains more, at the expense of the producer and the consumer. If they only knew how to co-operate, the profits which now go to the third man, would go to them, with the result that they would reap the proper fruit of their co-operation. "Sweets to one and sweat to another" is not co-operation and associated effort that should be regarded with favour.

Co-operation an economic movement.

The Co-operative Movement is an economic movement. It has no class antagonism, no class hatred: one class does not want to have aggrandizement at the cost of the other. "Trade unionism accepts the existing organisation of society, it seeks merely to improve, as far as may be, the condition of labour while remaining under the banner of capitalism. Co-operation proposes a different, an alternative economic structure, where there shall be no occasion for any one class to fight for its rights. In the event of the demands of the union not being accepted they go on strike. The methods of these are quite different from the methods of the Co-operative Movement. The spirit in one is militant and destructive, whilst in the other it is pacific and constructive; one creates class hatred, the other harmony and good-will. In one the members set out to fight, in the other they set out to work. In one there is dependence on others, the employers, in the other there is self-reliance." The Co-operative Movement is economic, as it does not only seek to find the maximum profits, but it tries to produce commodity for the consumer at the cheapest rates. It creates work for a number of men, then it creates employment for others, and even the consumer participates in the profits. There is no *bellum internecinum* (a war of extermination) in Co-operation. It joins all without distinction. It has all the advantages of competition without its disadvantages.

General Attitude.

The Co-operative Movement belongs to the people and the people can by themselves understand their needs and meet them. "Co-operation is the beacon light that helps the mariner to steer clear of Scylla of Collectivism, on the one hand, and the Charybdes of Capitalism on the other." State aid is very necessary where individual efforts cannot achieve the object. State help is indispensable, in so far as an honest attempt to form an organisation might be disturbed by the ring of an antagonistic class of middlemen, and the State can attend to those things to which an individual cannot. The Government has already made loans to provide for the transfer of lands, and sanction mutations of names without charging stamp fees in the consolidation of land holdings, given facilities for deposits in the Savings Banks, and taken steps to prevent further sub-division and fragmentation of holdings. Registrars are appointed for supervision and propaganda. It is no function of the Government to interfere at every stage, even though a Registrar may centralize powers in himself, and the people of that place are not prepared to work. Where the inhabitants are active and intelligent, a district officer should exercise his influence in the interest of the Movement and become an *amicus curiae* (a disinterested adviser) instead of a dictator. No doubt it is the function of the official-in-charge to give the people the opportunity to evolve the Movement on their own lines, but all officials from Regist-

rars downwards must be proof against *Noblesse Oblige* if success is to be achieved in this movement. It is here that the leaders should come forward and see if proper treatment is meted out to the agriculturists by Government officials. Holyoak states that the Co-operative Movement is anti-socialistic. "Co-operation is opposed to State aid and State control and sets up self-help and self-control as its aims." Calvert remarks that "Co-operation is self-defensive individualism made attractive by amity, strengthened by interest and rendered effective by association. It has from the first appealed to self-help and inculcated self-dependence."

Work of leaders.

In Europe much attention is given to the dissemination of information and knowledge. We should learn a lesson from the experiences of the European countries, and for this purpose all leaders, Mahatma Gandhiji downwards, should join and collect money to make the Movement grow, to help the masses with large funds, instead of collecting and misusing them on the Hindu Sabha or Muslim League, for communal propaganda and other similar purposes. In this all can join to gain the common end. Communal distinctions and dissensions should not be permitted in matters of co-operation. How can high political aims be achieved when the most potent factor of nation-building is ignored? Dissension in several communities has been spread by selfish mischief-mongers in the cities who in order to appropriate to

themselves what they have plundered from the *Ryot*, have taken to this base and disgusting jobbery of creating disunion and dissensions amongst the communities. These self-constituted leaders have made it a profession to exploit the religious sentiments and prejudices of their communities and make fat livings out of them. Instead of wasting time and energy in this highly detrimental movement of fomenting disunion, all the leaders should join to make the Co-operative Movement a success, because it is sure to bring about the uplift of the peasantry, the backbone of the nation. Co-operation properly organised and effectively worked will achieve both the economic and political salvation of India.

II. CO-OPERATIVE CREDIT.

Credit Societies.

The Co-operative Movement in India was "introduced as an essentially Credit movement, and it still remains so; it is not however right that it should continue to be so," says Mr. J. M. Mitra. With the exception of the village *Sowkars*, there were no Banks nor any Credit institutions to advance funds at a moderate rate of interest to the agriculturists. The Village Society was formed to meet these needs. But will the Village Society meet the current requirements of the agriculturists and also wipe out their long-standing debts and thus solve the problem of rural indebtedness? A Credit Society may grant loans for productive purposes in order to help the agri-

culturist, but the loans thus given can be for a short term only in order to have a speedy turn over. To enable the agriculturist to tide over hard times, long term loans are necessary. In the larger interests of the country, the agriculturist, who is often in financial difficulties due to the failure of the harvest or bad harvest owing to drought or other reasons, should be saved. As a matter of fact he is the chief producer of national wealth and he constitutes the backbone of national life. In trying his best to leave the land unencumbered for his children, he denies to himself and his family even the ordinary comforts of life. His efforts become futile as soon as he once gets into debt. It need hardly be stated that immediate, practical and effective steps should be taken to help him. Experience of many years and in many countries proves that Associations are the best media for securing long term loans at low rates of interest. These Associations should be separate and should have no connection with small Village Credit Societies. In Europe such associations issue debentures covered by the mortgages of the property of the borrowers. It should be emphasized that these loans should only be granted to wipe out the long-standing debts, and the village societies should continue to give loans on personal security and should have no concern with mortgages or the estates of the borrowing members.

Long term and short term loans.

The distinction that has now been adopted between a long-term loan and a short-term loan in a village society has, to a great " extent checked the tendency which has arisen in recent years to neglect personal security and the moral element in Co-operation, and to give undue preference to mortgage security.'' The Village Credit Society should be entirely based on personal security and particular attention should be given to the adequate education of the members. It is a matter for great satisfaction that efforts are made to have a distinct organization for land mortgage credit, and it is very much insisted on that it should be "co-operative in its constitution and working,'' and not a purely centralised capitalistic body like that of the Agricultural Bank of Egypt dealing with individuals directly. The borrower must be a member of the Association.

Direct dealings with an individual.

Even in the case of a provincial apex bank or any central agency, maintaining direct dealings with individuals, or through its branches, is considered as demoralizing by its nature, because this is more or less evincing a commercial spirit which is against the very letter of the Co-operative Movement. The Movement should be a "co-operative edifice based on a solid co-operative foundation and the machinery of the Co-operative Movement must be run on co-operative lines.''

Imitating other countries

The Co-operative Credit System has taken deep root in India and the benefits that the agriculturists are deriving from its existence are really immense. The rate of interest is decidedly going down day after day. But the indiscriminate imitation of certain features of the Movement in the West, produces disastrous effects. The Consumers' Movement in England, the Sales Movement in Denmark, the Producers' Movement in Canada have their different counterparts in different places. "In India with a vast population predominantly agricultural, poverty stricken, dependent on traditional rates of interest for the supply of their capital, credit is naturally the foundation on which other forms of co-operation must be based." It is only a detrimental policy to "follow in the field of co-operation," which only means a "slavish imitation of methods adopted by countries, the conditions of which are entirely different from those of ours, in preference to a policy suited to the needs and requirements of the people of India. India has so far done work in the solitary direction of credit, and keeping this as the basis, it is time that extensions into other forms of co-operation were made so that we might ultimately achieve the economic betterment, social advancement, educational improvement, and a broader outlook on life, and thus secure to those who come under its beneficent influence, other amenities of life. This is, in brief, a message which the West has

to give us—"to show to the world how the little seed of co-operation has sprung forth into a mighty movement, and while trying to effect the economic betterment of the poor labouring-class population who materially contribute to the production of the wealth of a country, and who form no small part of the community, has raised their social and educational status and endeavoured to make them capable to lead the line of constructive socialism —'disciplined democracy.'"*

Sir Manu Bhai Mehta on Co-operative Credit

Sir Manu Bhai Nandshanker Mehta† defines a Credit Society as that which aims at the supply of money to its members; "that which is a means in the Society of Production or Consumption is here itself the end without the attainment of which these societies will often be useless". The definition as given by the Dewan of Baroda is divisible into two parts: (1) Co-operative society aims at the supply of money to the members. He confines his definition to the law and not the practice. In Madras loans are given to non-members also on the security of their deposits in the Society. The circumstances there are such that a loan cannot be denied to a needy village depositor. According to this definition, he cannot get it or, the society granting the loan cannot be termed a Credit Society; yet the Society is a

*Address on the Message of Co-operation, delivered on 22nd August 1919, by Mr. G. K. Devadhar, M.A., C.I.E.

†Address delivered by the Dewan of Baroda as President at the 15th Provincial Co-operative Conference.

Credit Society and the loan is given to a non-member. The definition, therefore, is not a suitable and fitting one for Indian conditions. It is not a *Sine qua non* of the law of the Society that money should be supplied to the members only. If supply of manure or fodder is made by a Society on credit it does not cease to be a Credit Society. Circumstances arise which necessitate extension of help to non-members also. The law is clear on the subject. With the permission of the Registrar such loans may be granted. The law may not make a provision for such loans but practice is a greater law and hence the definition ought to be a comprehensive one.

(2) The second part of the definition refers to monetary transactions. Money becomes the means of a Society of Production or Consumption, and this money by itself becomes the end in a Credit Society, as money is offered as loan. Again the second part of the Dewan's definition is not a satisfactory one in as much as it is neither clear nor comprehensive. Money is required by the borrower for the purchase of articles of personal consumption, or for the purchase of articles required for productive purposes. If the actual demand of the borrower or the member of the Society, is met, then money will not be the sole consideration or object. The main object of the Credit Society is to deliver its member from the tyranny of the usurer who takes advantage of his necessity and deprives him of the fruits of his hard toils.

If by credit only a money credit were meant, why should personal security be preferred to material security, as gold, jewellery and similar articles? Mortgage security is likely to lock up money for an indefinite period but the position here is quite different. It is to create the credit of the poor *ryot* who has not got it on account of his inability to save anything, or find money in times of need. Moral credit would be more appreciated than any other credit, provided efforts were made to create it by means of education, propaganda and similar other ways. Capital is essential, but capital is not the only credit that the *ryot* is in need of. Even cheap credit is a great evil sometimes, and a Credit Society, as defined by the Dewan of Baroda, has got to be very cautious in supplying money at low interest, when the borrower does not know how best to utilise it.

What it should be.

The moral element has been strongly emphasised by the Rockdale school (Calvert). "Co-operation is a faith as well as a practice." The importance of insisting on moral rather than material assets, led Raiffaisson to choose unlimited liability in preference to share capital as the basis of credit. "The unlimited liability of the very poor may not realise much when selling up but they do not want to be sold up, and the aversion to this is an added stimulus to honesty."

Aims of Co-operative credit.

The Credit Society does not lend for the sake of lending, but has a special aim in lending. Such transactions are few and repay the outlay with interest, and do not jeopardise the position of the borrower. It is, therefore, clear that real security does not consist in the material assets of the members but in the ability and the desire of the members to put the borrowed money to productive purposes and to repay the loans out of the profits thereby (Calvert). Co-operative credit is not to supply capital to any one who asks for it but only to those who will put it to the best use possible.

Spread of the Movement.

In India though the Co-operative Credit Movement has made great progress, it has yet to achieve perfection. It has not yet spread into the heart of every village in India because the people do not take to it easily and earnestly. Most of the people understand it as a State financing agency, deriving benefit for its own sake. Some of the official co-operators have centralized its working in themselves, and allow no scrutiny, from outsiders, of its inner workings, lest they come to know its defects and weaknesses. The Credit Movement has to make itself still popular so that every house in the village will have a small banking account of its own. It is slowly gaining this object but it will achieve this end sooner if proper consideration is given to the other aspects of the Movement. To lend money at a low rate of interest should not be the only concern of the Movement;

for the agriculturist or the labourer not only needs facilities for obtaining money, but also requires facilities—which are so far denied him—how best to dispose of his produce for the maximum benefit with the minimum exertion.

III. CO-OPERATIVE NON-CREDIT.

When we rejected the definition given by the Dewan of Baroda,* we purposely refrained from giving our own.

In the opinion of the Dewan, the Co-operative Credit Society aims, at the supply of money to its members. If this be the purpose of a Co-operative Society it does not serve the purpose of true Co-operation; it fails to do even the service of a village bank. When it only supplies money, it is not a bank as a bank will also invite deposits. It does not encourage thrift if supplying money alone were to be its sole function. A similar mistake has been committed by Dewan Bahadur Rama Chandra Rao‡ ex-Registrar of Madras, when he said that it is a voluntary group of people living together for the purpose of borrowing money. Mr. Calvert † went further and added that the object of the Co-operative Credit Societies is to substitute for a number of individual

---

* It is said that Baroda has advanced to a great extent in Co-operation.

‡ Address at Conjeeveram on 25th December 1925.

† The Law and Principles of Co-operation in India, 1916.

credits, which are weak because they are isolated, a combined credit which is strong because it is united........These will be small and simple Credit Societies for small and simple folk with small needs and requiring small sums only.

These great Co-operators, in attempting to "confine themselves to an enumeration of the benefits and aims of Co-operation" have avoided to formulate a real definition.

The definition as given by Wallemberg* is: the "spontaneous organisation of a number of particular economies dominated by a common need, for exercising collectively and independently the industrial function which produces the specific economic loan adapted to satisfy it."

Rabbeno† considered this definition wanting and added that "the function exercised collectively serves to satisfy the needs only of those exercising it." "Rabbeno's addition of it agrees with the uncomfortable results at which that excellent author" says Dr. Luigi Pizzamiglio,‡ "arrives from the study of facts, and reveals his discouragement and disillusion with regard to Co-operative ideals," and does not seem to be necessary in a definition. In defining an ideal which is ever assuming newer and different aspects, it is necessary to avoid these specifications which may be true at some given condi-

* Laledecis Co-opexions (Giaornals).
† Societ di produziono Milana (1889).
‡ Distributing Co-operative Societies, edited by F. J. Suella.

tions of time and place but are extrinsic to the essential idea...............To Wollemberg's definition, which has certainly not the merit of brevity, I much prefer the definition of Dr. Emilio Cossa according to whom "Co-operation is the exercise of *determinate* economic activities on the part of a number of persons who assume them for their common profit."

What should be the definition?

It may be emphasized that the common factor in the collectivity of people for a common need and for a purpose, particularly profit, has to be taken into consideration—collectivity of the capital or money to make it the end, and what in "other society becomes the means" is not the purpose at all. The chief economic character of an Association ought to be quite evident in a definition. It is neither an Association of Consumers of money, nor even that of Producers. *It is an Association of people to effect work for a common end.* "Co-operative credit" has already taken deep root in India and efforts ought to be made for its speedy and lasting growth. The object is to divide one whole into several economic parts, proportionate to the need of the members of the Association, for their common benefit. Loans are granted to a member by the Association to secure him cheap money; and the member who is also a producer is anxious to make his position safe and hence more facilities should be given him to dispose of his produce. In order to dispose of the produce Associations may unite and achieve on a bigger scale the same object, and by dividing

their work and doing their allotted share. We have shown it elsewhere how the Co-operative Societies that were entirely confined to the lending of sums at a low rate of interest, have failed *in toto* to achieve their object, but those which have gone further and had extended their sphere of activities, have done well and are thriving, growing self-sufficient and becoming important.

IV. CONCLUSION.

To achieve the objects we have outlined above, efforts should made by eminent co-operators in India to persuade educated young-men to take to agriculture. They ought to be encouraged in this venture by all possible means at hand. The problem of un-employment is baffling many eminent persons in India, who are unable, as yet, to find a proper solution to this. The standard of living of any people is certainly affected, and to a great extent moulded by their environment—and it is true that the manners and customs and mode of living, of a people create that environment. There is a demand for luxuries as opposed to bare necessities—both existing, side by side. These are great incentives for larger production, and a better development of the natural resources of the place. To know to what extent we have to exert to make our efforts fruitful, we require a thorough knowledge of the needs and conditions of the people around us. That is not possible unless educated people go to the

village and take up this work. A critic may well say that the law of diminishing returns will automatically decrease the demand or, the "reduction of resources" of the place will naturally limit the population or, retraction in the standard of living will be a necessary result, but the critic must at the same time remember, that retraction in the standard of living in the case of an agriculturist in India means virtual starvation and, for the middle class man an abominable state of penury, which is the experience in every Indian Province. Fertility of the soil may be the same in a European country as it is in India; but the environments differ and though there may be not much difference in the needs of an agriculturist or a labourer in India and Europe, the way of satisfying them is quite different. Mr. E. H. H. Edy*, I. C. S., writes: "when an English child needs half the contents of a toyshop to amuse him, an Indian child is content to play in the mud. If toys come his way no one could appreciate them more; if he loses them again he is quite happy without them." This is the description of the psychology of a child of India. The same writer discussing the population of the United Provinces queries thus and answers himself: "Will the people, therefore, go on multiplying indefinitely, and will nature continue to interfere every few years with a calamity to check the pace? This I think, is a

* See Census report U. P. Part I, 1921, Vol. XVI.

reasonable expectation." One cannot very easily judge what the author is exactly driving at, whether the camparison of a European child with that of an Indian is an expression of appreciation only or a contemptuous sneer at the poor resources of an Indian. His observations on the over-population of India, are true indeed, but are made in an uncharitable spirit. That which is true of other countries is also true of India. "A rise in the standard of living operates as a natural check on increase in population." But the standard of living cannot be raised unless there is greater production and a proper distribution to people who are dying for half a meal a day and some times for a "semi-meal in a couple of days." Virulent famines or epidemic diseases are continually visiting Indian villages and these are great causes of economic catastrophes. It is up to those who know the proper remedies to find out a solution and remove these evils. In Europe people are doing it themselves, and in India people should do the same before they can ever hope to improve their material conditions or achieve economic freedom.

CHAPTER II.

BOMBAY PRESIDENCY

The Presidency embraces a wide diversity of soil, climate and people. The soil is watered by many rivers ; the Narbuda and the Tapti flow through the fertile plains of Gujarat, and the lands there are so rich that they are known as the gardens of India. The south western portion of the Presidency is bisected by the hills running parallel to the West coast and are called the Western Ghats. Above the Ghats are the districts of the Deccan. The Northern part of Sindh is a desert which will shortly be rendered fertile by an abundant supply of water from the Indus. Sindh is separated from the rest of the Presidency not only by distance but also by conditions of soil and climate, race and religion, language and tradition. The total area of the Presidency including Sindh is 1,23,541 square miles with a population of about 24 millions.

The principal occupation of the people is agriculture which supports 70% of the total population. More than any other Province this Presidency has been scourged by famines and plague during the past 25 years.

A chain of irrigation works, consisting of canals fed by many reservoirs built in the region of unfailing rainfall in the *Ghats*, is nearing

completion, and will likely save the Deccan from drought in the future.

In some parts the handloom workers produce excellent *Sarees*, and Bombay is the great centre of the textile trade in India.

II. STATE AID.

As we mentioned before, the State is directly assisting the Co-operative Movement in India. In Bombay as in other Provinces, there is an official Registrar assisted by several Assistant Registrars, Special Auditors, Auditors, Agricultural Organizers and an Industrial Organizer. The Agricultural Organizers work directly under the Director of Agriculture. There are special officers who do the propaganda work and the expenditure incurred on them is distributed equally between the Government and the Bombay Co-operative Institute. Free advice is given to the agriculturists by the Agricultural experts. The banks have been financing the Credit Societies upto now, but the Government in addition to the grants given so lavishly for the maintenance of the Co-operative Department, have been spending money for the purpose of making experiments to help the co-operator. Many other facilities in the form of remission of money order fees, etc., have been extended to the co-operator. The honorary staff is only an appendage, and the Bombay Government do not consider its continuance now to be so useful for purposes of propaganda as it was before. *These Honorary organizers*

are paid allowances by the Government. The Government Official in the villages, has so far been using the services of the honorary staff for educating the villagers, and inculcate in them the principles of co-operation, as they seem to trust the non-official more than the official class. The non-official organization is growing: and is rapidly extending its activities to wider and wider fields, and it will not be long before the honorary staff and most of the official staff will be entirely substitued by the non-officials.

The official auditors audit free of any charge the accounts of the Banks or that of the Societies. Very recently the Agricultural Advisers have been placed under the control of the Assistant Registrars for doing propaganda work and developing the non-credit side of the Movement. They "organise non-credit work societies in specific areas assigned to them, while in the remaining areas similar work will be done by officers of the Agriculture Department." The system is yet in the experimental stage.

III. BOMBAY CENTRAL CO-OPERATIVE INSTITUTE.

The Bombay Co-operative Institute has been organised in Bombay by some non-official co-operators who are great enthusiasts in this cause. The Institute is mainly for the purpose of disseminating Co-operative principles in those places where the official cannot exert his influence. For the benefit of the people it has organised

a training class for teaching the principles of Co-operation. The class is conducted in English in Bombay. It has several branches in the Presidency, where regular classes are held to teach Co-operative principles.

The Institute runs two journals, one a Monthly and the other a Quarterly. Many pamphlets are issued and circulated by the Institute to give a wide publicity to the Movement and broadcast the principles of Co-operation. The Governor of Bombay, who was till recently the ex-officio President of the Institute, has now been replaced by a non-official President. The Institute has been officially recognized. The non-official President is making extensive tours throughout the Presidency to further the cause of the Movement, and in order to secure for it a better and larger measure of the people's good will, and to co-ordinate what has so far been achieved. Strenuous efforts are made to educate the masses, which will prove of immense value, in popularising the Co-operative Movement.

The Institute has been organizing many meetings and conferences and, almost all the annual gatherings at various centres during the year were the result of those efforts. The Institute is more or less running the Co-operative Movement in the whole of the Presidency by offering constructive criticism, and particularly by propaganda work through non-official agencies, which are of great assistance to the Government officials in their work.

It may however, be noted that the term of training for Secretaries, is very short. The term of training for a superior service in the Department should be at least 5 to 6 months. Regular sessions should be fixed for the purpose, and admission should be open to all people from any ,part of the country. Theory alone is not sufficient for any man to undertake this work. Training of a practical nature should be given by making the students serve a period of apprenticeship under the various Government officials. Arrangements ought to be made by the Institute through the Registrar, to give opportunities to the students to visit the big co-operative centres, to see and learn for themselves, their workings. Most of the work in the Institute is being carried on by honorary agency for which credit must be given to the workers like Mr. Devadhar, C.I.E., and R. B. Talmanki and others. A whole-time paid man can relieve the enthusiastic workers from routine work, for tackling the larger problems of the Movement. Better training and better supervision ought to be provided on a wide scale by men well-trained and well versed in co-operative principles. General lectures on co-operative subjects should be arranged at regular intervals in villages, for they will surely help to broadcast the ideals of co-operation and inculcate them in the minds of the people.

IV. CREDIT SOCIETIES.

From the latest annual report of their working in 1926, the Agricultural Societies in the Presidency rose up to 3,866 from 3,377 in 1925, though many Societies were abolished, due to their unsatisfactory working. The membership increased from 2,43,000 to 2,71,000. The working capital went up from 249 lakhs to 314 lakhs in 1926. The owned capital of the societies is 114 lakhs and the share capital amounts to 14½ lakhs.

In this Presidency, only in Sindh credit Societies are formed on a share basis. The Registrar last year agreed to register the Agricultural Societies on a share basis in the Presidency, and provided facilities to those desirous to have the organization on that basis, as there are some districts where it has been considered desirable to introduce shares on account of the tenancy systems peculiar to those places.

The system of compulsory deposits which is current in the province has automatically increased the amount under this head. These compulsory deposits are fixed usually for 5 years and sometimes for 10 years. but in some cases deposits are withdrawable in one year also. In Bombay a new system of voluntary deposits has been introduced and encouragement is given to that. Savings deposits proved very beneficial, and these also have been introduced; but only few societies have adopted this new feature. Both the officials

and the non-officials are doing their best to popularise the system all over the Presidency. This is an excellent method of teaching thrift to the agriculturist as it affords him an idea of how to profitably use his surplus money. At harvest time, or in times of need, he can easily withdraw his money as it is available to him anytime without much difficulty. The agriculturist has been now acquainted with this system, and his knowledge of a higher system of banking is also growing. This is a very healthy sign of progress, and it means greater confidence of the general public to deposit more money in Village Societies which are growing into small banks. Here, one word of caution is necessary, and that is that deposits from non-members should not be invited by offering higher rates of interest, because that is not right as mostly consideration has to be made for contingencies and bad seasons, and much reliance cannot be placed on the members of a Society who cannot be expected to be punctual in repayments as they are bound by circumstances over which they have no control. At some places near Poona, this method was tried where 8 % was paid to the non-members, when 6¼% was the ordinary rate of interest ! All those Societies came to grief in the end.

In most of the districts of Bombay, the agriculturists have begun to understand and appreciate the advantages of Credit Societies, and the members are taking a keen interest in the working of their respective Societies. Greater attention has been paid by the Department

in consolidating the work already achieved than in expansion of the Credit Movement. Other forms of Societies which are not based on credit, are no less necessary, and it is time efforts were made to start them.

V. HADAPSAR CO-OPERATIVE CREDIT SOCIETY (UNLIMITED).

Hadapsar is a small village at a distance of 5 miles from Poona.

This Agricultural Credit Society was started in 1910 with thirty members subscribing a capital of Rs. 2,000, according to the means of the members. The Collector of the District gave them a loan of Rs. 2,000 without interest for the first three years, and on the expiry of which it was to bear interest at $6\frac{1}{4}\%$, returnable in 20 years. The deposits increased gradually, and an interest of $6\frac{1}{4}\%$ was paid on them. The Hadapsar village has a population of 5000 people only, and the members who have joined the Society number about 145. The Society is in a prosperous condition, and though the number of members is small, the deposits have risen to Rs. 50,000 at present. Profits are added to the capital, as they are not distributed amongst the members. Interest is distributed annually on the total deposits of each member whose capital is increasing by the addition of the profits to his capital. The Society is self-supporting and does not borrow any money for purposes of granting loans to its members. Non-members have de-

posited a sum amounting to Rs. 1,00,000. The Society has also created a reserve to the extent of Rs. 50,000.

Loans are granted by the general approval of a committee which has been formed for the purpose. Members are very punctual in repaying loans.

The Society has a Chairman and an Honorary Secretary and a paid Secretary, with a small establishment. The main reason why the Hadapsar Society has done so well is because of the honesty and earnestness of the people who have been thoroughly imbued with the principles of the Co-operative Movement, and who have realised the necessity of straight dealing, by prompt repayments of the loans advanced to them. Credit is also due to the commendable work done by Mr. G. K. Devadhar, M. A., C. I. E., and Rai Sahib G. G. Karve, the Honorary Organizer, who have made this a model Society. In order to put a check to promiscuous deposits the Society charges an entrance fee of Re. 1, and deposits are not accepted for less than Rs. 10, above which all deposits are accepted without any restrictions. But a limit has been put on the borrowers. A member who is a sugarcane cultivator can borrow to the extent of Rs. 3,000 but the ordinary cultivators are not granted loans of more than Rs. 1,000. A person intending to repay a *Sowkar's* debts is granted a long term loan of Rs. 1,500 over and above the loan required by him for productive purposes.

There are also lady members, and there are lady representatives on the Committee. It is surprising to find that there are 15 lady members in the 145 members of the Society. The Society does not exclude members of the Depressed Classes. A War Loan to the extent of Rs. 18,000 was raised, which has now been repaid to the respective members.

The Society is making excellent progress in all its various branches of activity. It has infused into the people of the village a very high sense of thrift, and though the number of members is not great, deposits have come from all the villagers. The people are in a prosperous condition. The Honorary Secretary has grown so optimistic that he hopes to drive out all poverty from the village in the course of a generation, provided the Society is allowed to work undisturbed on the same lines it is working now. The Society owns a building which cost Rs. 3,000.

2. The Hadapsar Credit Society has opened under its auspices two other branch Societies, and it is also directing its attention towards Agriculture Non-credit Societies. They are:—

a. Manure Society.
b. Sale Society.

A. Manure Society.

This was founded in 1917. It has 83 members. They get manure in the same manner they get credit in cash. This Society works with a share capital of Rs. 1,155, with a share of Rs. 5 on which dividend is paid at the rate of 8%

A Reserve fund to the extent of Rs. 4,000 has been created. There is one clerk employed, who is paid out of the profits of the Society.

B. Sale Society

This Society was started in 1920, as a great need was felt by some of the members of the Credit Society to have their own capital utilized for purchasing their victuals. There are only 20 members. The share capital has risen to Rs. 1,300 at the rate of Rs. 10 a share. A dividend of $6\frac{1}{4}\%$ is paid on the paid up shares. There is a Reserve Fund of Rs, 3,800.

It works with a small establishment consisting of two clerk-shopkeepers, on Rs. 12 a month, and a paid Secretary on Rs. 20 a month. Sales are being carried on in grain and other household necessaries. The shop is situated in the building belonging to the main Society, for which rent is paid.

3. The Hadapsar Society has created a Charity Fund to the extent of Rs. 4,000. Interest accruing on this amount is spent in giving scholarships to the poor boys of the village, for prosecuting their studies in Poona.

4. All money has been deposited in the Central Co-operative Bank, Poona. The Bank does not interfere in the management of the Society, as there is no necessity to warrant any such interference, for the Society is self-supporting. The Society is quite independent of the control of any other body. It presents its accounts for audit to the Government officials whenever asked to do so.

5. Loans are advanced now for irrigation purposes, and facilities are being created for the cultivation of sugercane, tomatoes, beet sugar, cabbages, and grass for which the lands in the village are quite suitable. It has a connection with the Sugar Sale Society, which will be treated later on. The Government has, on the representation of the Society, exempted all vehicular traffic from paying the toll on the road leading to Poona. At the request of the people liquor shops have been closed in the village.

VI. AGRICULTURAL NON-CREDITS.

Agricultural Credit Societies are expanding, but Agricultural Non-credit Institutions are not functioning so well. Small Village Societies for non-credit have not proved a success, partly because of the very small amount of business transactions carried on, and partly because the profits are so low that a well-paid staff cannot be maintained to see to their proper working. Bombay is developing Credit Societies into non-credit Village Societies. These will prove beneficial in course of time. Experience has shown in Bombay that the distribution of seed can be done very well by a Credit Society if it cannot be taken up by Sale Societies or by Development Associations.

The Implements Society does not thrive because of the fluctuations in the prices of the imported articles. Everybody tries to buy in the cheapest market. Particularly when

improved implements imported from the West can be had always cheaper than home-made ones, the peasant generally resorts to the former. The Agricultural Non-credit Societies in Bombay increased from 223 to 253 in the year 1926 and it was found that these Societies were operating more efficiently and successfully in places where Credit Societies were comparatively well off, than at other places. The only Agricultural Non-credit Society worth mentioning is the Cotton Sale Society, which did business to the extent of 62½ lakhs in 1926 as against 46 lakhs in the year 1925. There are no detailed statistics available which would show the full particulars of the cotton produced and sold.

VII. GUR (MOLASSES) SALE SOCIETY.

Sugarcane is grown largely in Maharashtra. The cultivators not only require proper facilities to produce good crops, but also require a ready market to dispose of the same at reasonable but profitable prices. This need was felt by some co-operators in Poona and The *Gur* (Molasses) Sale Society was organised.

There are about 50 members in the Society who have purchased shares of the value of Rs. 10 each. The share capital has risen to Rs. 2,000. The Reserve Fund is Rs. 1,100. Usually transactions are made within this amount but at times when money is required, it is borrowed at 7% from the Hadapsar Society, with the permission of the Registrar.

As these sales take place almost daily and the wholesale purchasers pay up within 9 days of the purchase of the commodity, the necessity for borrowing money does not arise.

The Society charges the owner 8as. for 3 maunds, as its commission and an anna more for purposes of charity which it distributes as it deems fit. The sale of *Gur* (molasses) is made by auction where only reliable purchasers are allowed to be present. A reduction of 12as. for every Rs. 100, is allowed to the purchaser who makes ready payment.

A Dividend at the rate of 9 3/8% is paid on the share capital. The profits are divided into different heads; 25% goes to the Reserve; 12½% to Management; 5% is used towards the bonus of the Establishment; and the balance is distributed among cultivators *pro rata* to the goods brought in good condition to the city.

Arrangements for meals, etc., are made for the members who go with their produce to the city and the expenditure thus incurred, is met from the profits. The *Gur* Sale Society advances money to needy suppliers. The Bank does not interfere at all in these transactions, but we think that there ought to be some sort of supervision. But no difficulty is experienced in receiving back the advances made to the cultivators.

VIII. COSMOS CO-OPERATIVE CREDIT SOCIETY

This non-agricultural Credit Society was started in 1906 in Poona. All respectable gentlemen who are above the age of 18 and below 55 years of age, such as Government servants, Graduates, Pleaders, Medical Practitioners, Professors, Teachers, *Sowkars*, Land-holders, House-owners, Contractors, Merchants, Commission Agents, and employees of Registered Companies, Municipal or other Public Bodies, Factories or Firms, and ladies also are eligible for membership. But a person eligible for membership must also be a permanent resident of Poona or, if he is in Government Service, or in any other public body, he must reside in Poona for at least one year before applying for membership, and his monthly income must amount to at least Rs. 40/.

There are about 1500 members in this Society. The liability of each member is limited to the amount of his share or shares; one share being equal to Rs. 20/- which may be paid in lump or instalments within 4 months from the date of acceptance of the application; and on full payment being received, a share certificate is issued by the Society.

This Society is a sort of small bank which has increased the credit of its members, and it pays decent interest to all those who deposit money with it in one form or the other.

The working capital is as follows.—

Share.			Interest or dividend.
Capital	..	28,989	.. 7½%
Fixed Deposits		1,71,157	.. 4½% to 6%
Savings ,,	..	47,233	.. 4½%
Current ,,	..	6,779	.. 2%
Reserve capital		7,576	

Loans are granted at 7 13/14%.

All money is deposited in the Provincial Co-operative Bank, Poona, and withdrawals are made from time to time according to the requirements.

Loans are realized by regular monthly instalments. Compound interest is not demanded in case of failure to return loans in due time, but all loans must be repaid in 40 equal instalments which can be extended to 3 years. Anybody desiring to take loans may become a member without paying any admission fee. A member must purchase at least a share to be eligible for securing a loan and after the lapse of one month from the grant of the share certificate, loans are granted.

Every member has a vote and a general meeting elects Members of an Advisory Board which consists of 3 members who are forbidden to take loans. There is also a Managing Committee consisting of 11 members, elected from the members of the Society.

Two honorary auditors are also elected for the purpose of auditing the accounts.

During the last two years there were 12 cases where borrowers proved defaulters. But recovery can always be made through the Revenue authorities ; even a civil decree can be passed,

and the Government has exempted the Society from the stamp required for instituting a civil suit against a defaulting member.

Loans are granted by the Managing Committee on 2 securities, and an individual cannot borrow a sum of more than Rs. 750, but the loan may be increased to Rs. 1,000 on the security of immovable property within the limits of the Poona City Municipality. These loans are disbursed by the Secretary in the presence of a member of the Managing Committee. Transactions are made in hard cash as the cheque system is not yet in vogue. Absence of the cheque system is really a great defect in such transactions. Repayments are made to the clerk, on his receipt, who is allowed to keep money up to Rs. 3,000 with him. This is not advisable. Repayment should be made within the fixed period and this term cannot be exceeded in any case, and any person exceeding the limit is considered a defaulter and becomes liable to legal prosecution.

Liability of surety for a borrower will not exceed Rs. 2,500.

A non-member also may deposit money in the Savings Bank account or Fixed Deposit account, which he may withdraw on application. Savings deposits exceeding Rs. 2,000 in one calendar year cannot be made by one depositor who is allowed deposit to the limit of Rs. 5,000 only. Any amount may be deposited in Current or in Fixed deposits.

It is very creditable for this Society that with all its transactions it employes only

one clerk who is paid a salary of Rs. 45 a month with a bonus equal to one month's pay in a year. Most of the work is carried on by honorary agency.

There is another feature of this Society worth noting. This is a miniature bank of 1,500 members and a number of non-member depositors. Facilities have been given to the non-members to purchase shares by transfer of shares. A share-holder can transfer his share to a non-member on payment of 8as. which goes as profit to the Society ; and with the transfer of the share to another man, loans can be granted to the transferee also. This has been done in order to create facilities for those who are not members, yet want to derive benefit from the Society.

IX. TALUKA DEVELOPMENT ASSOCIATIONS.

There are about 51 such Associations registered in the Presidency. Their main function is agricultural propaganda through:

1. Dissemination of agricultural knowledge by means of demonstrations, lectures and distribution of pamphlets.
2. Introduction and supply through Co-operative Societies (a) of good and reliable seed (b) better and improved implements (c) suitable and rich manure.
3. Improvement of the breed of cattle and increase in the milk supply.
4. Consolidation and enlargement of scattered and small holdings.
5. Organization and improvement of Co-

operative Societies to increase the resources of agriculturists; and for the supply of domestic requirements.

6. Representation of the grievances of the agriculturists to the authorities concerned.

7. Purchase on indents for members and constituent societies such things as seed, manure, and implements as they may require, pending the organisation of separate societies for the purpose, or, to purchase such articles on indent for members and constituent societies when required, or, to arrange for the sales of agricultural produce of the members without incurring any financial responsibility.

If an Association like this cannot work through the Co-operative Societies for want of funds, the Department should give all encouragement to make its efforts a success; and the Association will be failing in fulfilling its functions if it works through individuals only. The Registrar, Bombay, is also of the same opinion. This is a good idea to utilize the services of these associations for direct supervision of accounts, and the direct supervision of the internal affairs of the societies; but to force supervising unions where these associations exist, is only to put more officialism in the Co-operative Societies. These associations are doing agricultural propaganda work for the popularisation of approved varieties of seeds, manures, implements, and improved methods of farming. This is really a good development on the non-credit side of the Co-operative Movement in the Presidency.

These associations should work in conjunction with Village Societies. Such an Association is expected to tackle all questions and supply the needs of the agriculturist, which do not receive sufficient attention elsewhere. Its work will infuse enthusiasm and give encouragement to the co-operators in rural areas, who can be invited to conferences arranged for them and made to realise that they are units of a widely dispersed, rapidly growing and very important movement.

By delegating to these associations the function of supervising the Co-operative Societies, all Societies in a Taluka will become the members of these Associations, and a double purpose will be served. One is that the Association will get subscriptions, and the other, the audit work will be done by the Association without any extra expenditure.

X. STUDENTS' STATIONERY SOCIETY, POONA.

This is a small society formed for the benefit of students in Poona. It purchases school and college requisites for being retailed to students, and supplies on commission wholesale consignments of school or college requisites to Public and quasi-Public bodies. The Society has created a small reserve fund. The work of the Society is not carried on in a business-like manner, and the lack of interest and enthusiasm is painfully evident even to an outsider. True it is that students cannot be expected to know much, but the teachers can

Bombay Co-operator admits while advocating this system that this line of "action might not be necessary where the primary societies themselves serve as village banks ; but the position being what it is to-day, part of the services performed elsewhere by the primary societies themselves have to be entrusted to agencies one stage higher up in the co-operative structure ". Both these observations are made by the same gentleman, and it is interesting to note that how much they are opposed to each other. In case the village society cannot perform the duty of the banker for its members, it is not necessary that it should go right upto the highest financing agency for its finances. A district which has a number of societies can consolidate them all into a district bank, and achieve the same purpose. For example the Hadapsar Society itself is a financing agency and yet in times of necessity it draws upon the district bank of Poona. "I do not advocate the formation of branches of a Provincial Bank", says Mr. J. M. Mitra,† "and even of district or sub-Divisional central banks for, such branches will be controlled and dominated by their Head Office, while the local central banks which we have in Bengal are federations of local Societies, and the representatives of local Societies play a leading part in controlling and guiding the policy of such federation." What is true of Bengal

---

† Presidential speech delivered by Mr. J. M. Mitra Registrar, Co-operative Societies, Bengal, at the Ninth Co-operation Federation, on 3rd May 1927.

is true of all Provinces unless in Bombay circumstances are such as necessitate the formation of such branches in the Presidency.

"A Co-operative Society such as a village bank or people's bank of a European country," says Mr. F. A. Strack, "is an association of individuals and not combination of capital." † Its basis is self-help. If this were our goal we must not allow circumstances to dominate us, nor acquiesce in or adopt a policy of mediocrity, but strive unremittingly to achieve our Ideal.

With a view to give the people an opportunity to manage their own affairs and shoulder responsibility the branches opened in the several areas where there were no banks, might as well be substituted by district banks which can be members of the apex bank, so that they may serve as a fillip to the people of those areas to organise themselves and learn the higher systems of banking.

2. It is always necessary to see what the margin is between the borrowing and the lending rates of a Co-operative Bank. The margin must always be comparatively small. The Bombay Bank has not failed in this respect, and it is doing its best to lower its rates of interest on what it lends. A Provincial bank should have ready money available sufficiently, during the sowing and reaping seasons, to meet the pressing demands of the agriculturists. As there

† Address delivered before the Convention of the Chamber of Agriculture held at Hamilton (Vic).

has been a gradual increase in the deposits of the bank, much difficulty has not been experienced in granting loans. The bank has paid a dividend of 8 per cent. on share capital. The bank has reduced its interest on loans given from $7\frac{1}{2}\%$ to 7%, and efforts are made to still lower the interest.

DISTRICT BANKS.

There are many District Banks in the Bombay Presidency, and more are in the making. In some parts of the Presidency the Provincial Bank maintains its branches, but the necessity of substituting these branches by District Banks, is very keenly felt by the people.

The District Banks are members of the apex bank in Bombay. As the apex bank has opened branches in places where there were no banks, the District Banks have, in a similar manner, opened their branches, in order to extend their business. But in thus opening up branches there are disadvantages that overweigh the advantages. The extension in the jurisdiction of a bank only confers added power on some, but does not encourage self-reliance and independence, but throttles the small financing agencies in the villages. The all-important purpose of the movement is to drive out the moneylender and stifle his business, and help the cultivator in times of need, and teach him thrift and the virtues of, and benefits accruing from, Co-operation, and thus help him in building small village banks, and run them on sound lines.

These banks might also be connected to the bigger banks of the district for finance or, these may consolidate themselves into a single unit and can work as a district bank.

Bombay District Banks have been supporting the supervising unions also, and these grant at reduced rates of interest loans to societies. Business transactions have been considerably extended and enhanced by the introduction of *cheques* and *hundies*.

POONA CENTRAL CO-OPERATIVE BANK.

This is a district bank and a member of the apex bank in Bombay. It has purchased shares from the Bombay Bank and takes loans from the apex bank whenever in need, and in turn gives it out as a long term loan. The bank has not a representative on the Directorate of the Bombay Bank.

SYSTEM OF GRANTING LOANS.

Loans are granted to only those Co-operative Societies which have taken its shares: and these loans are granted on the security of lands and in a ratio of 1 : 5 of the landed property. In case of any previous encumbrances deductions are made accordingly.

REALISATIONS.

The duration of loans extends from one to three years: repayments are made by money order or insurance and some times by hand.

RATE OF INTEREST.

The individual member pays to the Society at the rate of 9 ¾% and the Society pays to the

bank at 8 %. The rates of *Sowkars* range from 12% to 18%, and in the villages higher rates are charged.

MANAGEMENT.

A Board of the district manages the Bank. There are 11 Directors who are elected by the individual shareholders and by the *member societies* in the ratio of 4 to 6 and one member is nominated by the Government.

MISCELLANEOUS.

There are about 177 Societies connected with the Bank. The Bank has branches at a distance of 26 miles from Poona. The necessity for opening these branches was the need to have a closer supervision over the Societies in those tracts. There are about 40 such Societies connected with the Bank. The jurisdiction of the Bank extends over a very wide area, and it has a scheme for further and fuller extensions.

SOCIETIES.

Deposits made by an individual member of a Village Society is usually retained in the Society, and this is utilised for the purpose of giving loans to the members. A part of the deposit goes towards the share capital, and the share capital as accumulated is considered as shares purchased by the Society from the Bank. A Village Society may keep a balance with it to the limit of Rs. 10, and any sum above it should be transferred to the Bank as deposits. In case of small balances obtained as profits by petty transactions, it is usually left to the discretion of the members, but the Bank

also helps the Society sometimes in the distribution of such profits.

SALE SHOP.

There is a Sale Shop attached to the Bank. This Sale Shop's chief duty at present is the collection of goods from weavers' Societies, and find for them a market in Poona. This shop is, as yet, not well organized, and consequently has been working not satisfactorily. But it is a good start, and introduces a much needed feature, to which proper attention has not been so far paid. For, it facilitates the sale of the produce of the poor member of the Society, who had before to waste his time and energy in seeking a market, or dispose it off at unprofitable rates. To succeed it needs thorough supervision and efficient management. This will necessarily give a great fillip to the small industrialist, and will help him in slack seasons. The introduction of such shops, affords the weavers an opportunity to employ their time wholly in producing cloth, and relieves them of the trouble of seeking a proper market.

XII. HOUSING SOCIETIES.

The Bombay Pesidency has stolen a march over other Provinces in India, in respect of the problem of housing of the middle and labouring classes. The city of Bombay is overcrowded, and it was impossible for the poor to acquire cheap accommodation within the

precincts of the city. This was the sorry experience of many. Rao Bahadur Talmanki was the pioneer of a movement that aimed at the alleviation if not the eradication of this trouble and he is the soul of the co-operative Housing movement in Bombay. The first Co-operative Housing Society in India was the Saraswat Housing Society of Bombay which was registered in 1915. This society works on a purely co-partnership tenancy system. Societies of this nature have found great favour with persons who have limited means. The Society owns the buildings and lets them to its members only. The constituents of this Society range from the poorest classes, and these poor people derive their deserved benefit. The plan followed in India is adopted on a judicious mingling of the principles followed by the English Societies based on Co-operative tenancy, and the French Society " La Security " in Paris, where the estates as a whole remain the property of the Society.

A member generally contributes, as his portion, in the first instance by shares, which are not in any case more than $\frac{1}{4}$th of the total expenditure estimated for the building. The rest is usually raised by loans and by issue of debentures. The Bombay Government has given the members a loan in advance equal to $\frac{3}{4}$ths of the estimated total expenditure at an interest of $5\frac{1}{2}\%$ to 6%. The buildings are divided into blocks for which rent is charged, and it is so " calculated as to cover not only the economic rent of his tenement or house

but also an amortization or sinking fund payment which at the end of 25 years or 30 years repays the whole value of the building."

In order to retain the loyalty of the members, payment of rent has to be arranged in such a manner that the monthly instalments will not be higher than the rent that they would have paid for any ordinary tenements. That is the crux of the whole situation. The Society apportions the rent so paid by the individual partners, into several funds. Some amount is set aside for making repairs or to rebuild a house if need be, or, in making extensions in the buildings. A portion is put aside for the payment of interest on the contribution made by the members and generally on the total outlay *viz.*, members' contributions, Government loans and debentures ; and a reserve is created to pay municipal taxes and insurance premia, and to meet establishment charges and for the upkeep of the gardens, etc. And all these are paid from the instalments collected.

Only shares of the members remain unpaid : but they bear interest. The reason why repayment to members is not made is that the Society may have a hold on them for, there must be some deterrants to the members who may become lax in regular payments, and to keep them alive to the responsibility of maintaining the house in order.

The Saraswat Housing Society, at first, did not take any Government loan as the Government was not inclined to grant any to this

Society at the start. This Society was started by a group of Saraswat members who secured loans from a bank called the Saraswat Bank which in turn, had also been started on a communal basis.

There is another kind of Housing Society which is called the Individual Ownership Society. This Society does not own the housing property of the members but it owns only the municipal powers, and assists the members in the building of houses.

This is another form of a Credit Society, where money is lent to the member not in the form of cash, but lent to him in the form of a house. This is called also the Resource Society. This sort of Society is not very popular with the poorer classes. There are many places in this Presidency where such Societies have been formed and there is not much difficulty also felt in their formation. There are no communal restrictions in this as in the other Society. In Poona, the Deccan Gymkhana Housing Society have got their own grounds, school, shops, restaurants, playing grounds and many other facilities, and this portion looks very beautiful in the whole of the Poona town.

As regards the Co-partnership Housing Society much difficulty was experienced involving the question of the right of individual ownership as against the ownership of the society on the property of the members. It was a big question, and it was solved by the personal intervention of His Excellency the

Governor Sir George Lloyd, who arranged for the appointment of an expert solicitor in England to consider this question, through the then Registrar Mr. Otto Rothfield. Much care was taken to introduce sound and model byelaws, and these are considered to be to some extent in advance of any other rules or laws dealing with housing societies even in the European countries.

XIII. CONSUMERS MOVEMENT.

There is much scope for improvements and extensions in this direction of the movement in the Presidency. There must be a great central organization for supply which requires many able and energetic workers. This Movement is still in its infancy in the whole province.

XIV. PRODUCERS MOVEMENT.

Great efforts are being made to consolidate this Movement which has to its credit some solid achievement, but as the Movement has not been well established it gives way whenever a slump in trade occurs. This side of the movement has yet to make headway in this part of the country. Though the handloom weavers produced excellent *Sarees*, the last season like the preceding one, was a very unfavourable one for them. The market was dull, the price of the yarns was fluctuating and the demand very slack, and there was great difficulty in disposing of the finished articles. As a result several members of the

society had to give up their weaving profession for the time being, as the profits earned were inadequate, and to find some other and more lucrative temporary profession elsewhere. This foregoing is culled from the last annual Report on the working of the Co-operative Movement in Bombay. We can only infer from this that the Producers' Society does not work well and efficiently. And the members need not have left their professions in the slack season, but could have waited for better times, only if they had proper provision and safeguards. But as there is no organization at his back, the producer is cast to the winds whether he were working alone and independent of a Society or in co-operation with others in a Society. This Movement's chief concern should be the immediate as well as the ultimate benefit of the producer, and if it fails to help him safe through lean seasons, it is lacking in its primary duty. The number of societies is dwindling every year in the Presidency. There is therefore, an urgent need to re-vitalise and re-organise this aspect of the Movement.

CHAPTER III.

MADRAS.

The Madras Presidency occupies more or less the whole of the Southern portion of India, and excluding the Indian States, it has an area of 1,41,075 square miles.* The rivers, which flow from west to east irrigate the country; and the deltas of the Godavari, the Kishna and the Cauvery produce fair crops even in times of drought, and are the only portions of the East Coast where agriculture is not dependent on rainfall which rarely exceeds 40 inches and apt to be unseasonable.

It has a population of 42,794,155, the major portion of which is of Dravidian origin, and principally speak the Dravidian tongues.

The chief industry of the people is agriculture in which about 68% of the population is engaged. The staple food crops are rice, *cholum*, *ragi*, and *komhan ;* and the industrial crops are cotton, sugarcane, and ground-nuts. A special feature of the agricultural activity in the Presidency is the large industry built up by the Planting Community which contributes substantially to the economic development of the Presidency. There are 22 cotton mills, in the Presidency which employ 35,000 operatives. Minor industrial concerns number over 120 and consist of oil mills, rope, rubber and tile works.

---

* The Indian Year Book.

II. NATURE OF CO-OPERATION AND STATE AID.

Before the passing of the Act in 1904 which provided relief for the agriculturist in the form of co-operation, a system called *Nidhi* was already prevailing in Madras. This system corresponded to the Provident Funds and Friendly Societies of Europe. These *Nidhis* provided capital to the agriculturist at very low rates of interest, but the spirit found in the Co-operative Movement was wanting in them. In 1892, Sir F. A. Nicholson was deputed by Lord Wenlock's Government in Madras, to prepare a report on the advisability of introducing the Land and Agricultural Banks in the Province to finance the agriculturists in times of need. But, on the submission of the report, his recommendation regarding the Co-operative banks did not find favour either with the non-official public or with the Government of Madras, and no action was taken on it. The introduction of *Takavi* loans by Lord Curzon, did not inculcate in the borrowing rural classes the idea of thrift and self-help. In 1904, on the passing of the Co-operative Societies Act, Madras was again a pioneer in making the movement a success. Great aptitude in this direction has been found in the general public of the Madras Presidency. The unofficial element, is working more zealously in the Presidency than in any other Province.

But Mr. W. K. H. Campbell, C.C.S.,* in his paper "Studies in Co-operation" says, on

* Registrar, Co-operative Societies, Ceylon.

page 8:—"The development of the unofficial side of the movement seems to me to have proceeded on less satisfactory lines in Madras.......... Superimposed from above, on the other hand, is another body of unofficial helpers who do not appear to have personally had any practical experience in the ground floor of the co-operative structure or, to have devoted much time to the study of the subject.........."

Comparatively speaking, of all Provinces in India, Madras is the only Presidency where the unofficial side of the Movement has moved in advance, in every respect, of the official element. The movement has not been allowed to be centralized in the official agency as in the Punjab. The principle of decentralization has been the watchword of Madrasi non-official co-operators. A Province which introduced measures for removing rural indebtedness, before the Government of India had ever thought of introducing the Movement, should not be underrated in the way it is done sometimes. All co-operators who have retired from Government service have joined the Movement in a non-official capacity, and are trying to remove the defects in its working. Madras is the only Province in the whole of India where Sale Societies have succeeded. They have a flourishing store system in the Triplicane Stores in Madras itself. The effort of the Madrasi to unite the producer and the consumer—a very difficult task—is nearing success. This success is entirely due to the efforts of the non-official agency. The banking

system which has been introduced by almost all communities, speaks for itself of the organizing capacity of the Madrasi. The Apex Co-operative Bank of Madras is overflowing with deposits, and it has been a matter of great anxiety to the Madrasi co-operators to find a way to utilize their surplus capital! Very recently they introduced Land Mortgage Banks, which is yet the dream of other Provinces, and for this, credit must go to the Hon. V. Ramdas Pantalu, President of the Provincial Federation, Madras. The only defect of the people of Madras lies in offering harsh criticisms on every scheme that is initiated. They do not give any one scheme a full trial. That, perhaps is due to the fastidiousness of the Madrasi.

In the recent evidence given by the Registrar of Co-operative Societies, before the Agricultural Commission, it was said that there is no necessity for the consolidation of economic holdings; but from a pamphlet issued by the Hon'ble V. Ramdas Pantalu, and from the statistics given therein, it seems necessary for all to divert their attention to this side of the subject. It is a matter so vast and so important that it cannot be fully discussed here. In considering the question of Land Mortgage Banks, it is really worthy of note that the Madras Bank has agreed to give long term loans to eradicate rural indebtedness, and this speaks very highly of the unofficial endeavours. The State also is aiding the Movement and though there is no direct connection between the official and the non-official co-operators, the official

co-operators reap the benefits of the non-official organization.

In the matter of expenditure, there is a difference of opinion between the official and non-official agency. The non-officials ask for more grants to be kept at their disposal, while the officials are loth to part with the power and hand over the control.

III. PROPAGANDA

Propaganda is carried on by the district Federations of Local Unions. The main object of the Federation is an organization "primarily responsible for propaganda as well as for the co-ordination of the work of local unions." These have, therefore, been kept open to central and urban banks also. The main propaganda work is being done by the Madras Provincial Co-operative Union, Ltd., and it is doing very useful work. It runs a monthly journal in which many problems of interest are discussed, both in English and Tamil. Besides the editing of a monthly Bulletin, the Union publishes many pamphlets and articles of interest, and most of them are translated into the vernaculars for distribution among the masses.

It is very interesting to note that the Provincial union has opened a training class for employees of central banks, urban societies and local unions and for office bearers of the societies. A syllabus has been drawn up in consultation with the Registrar. The course occupies 3 months, after finishing which an examination

is held which secures a successful student a certificate. The Government have sanctioned a recurring grant of Rs. 1,200/- to enable the Provincial Union to develop its activities on the educational side.

IV. AGRICULTURAL CREDIT SOCIETIES.

From the Annual Report of Co-operation for 1924-25, we find that the number of Agricultural Societies is 9,164 of which 33 are working on a limited liability basis. The total working capital increased from 3,14,97,536 to 3,58,07,324 and the paid up share capital is Rs. 42,81,332. The Government has also given a loan of Rs. 4,82,264 to societies for the depressed and backward classes.

From the figures given above, it will be noticed that the share capital is fairly large. The reason is that loans are not granted unless the borrowing members pay up for their shares, which is considered a stake for the granting of the loans. "The usual standard is that a one-rupee share fully paid up entitles a man to borrow Rs. 10/-, but a ten-rupee share subscribed with Re. 1/- paid up, entitles him, if otherwise qualified, to borrow Rs. 50/-. This system forces a man, who takes a large loan from a Society, at the same time to put a considerable stake into it which should make him watchful of his safety." There is not much difference of opinion on this point between the officials and non-officials. The main reason why co-operators in Madras are particular to raise the

share capital is that they want the member to make a saving. Payment of small annual instalments of share value encourages certain members to increase the number of shares automatically or whimsically. There is a disadvantage also. When calls for further instalments are made the members, some times, are unable to pay up, and usually become defaulters. It is therefore necessary that every Rural Society should own its capital and try to realize its share capital in the shortest possible period. Funds for lending ought to be one's accumulated capital, and particularly banks can raise funds only on the security of the share capital subscribed by the members. This is one of the main reasons why individual deposits have come forward so prominently. The Rural Societies have to contribute to the shares of financing banks and have also to be members of various unions working in close touch so that the needs of members, other than credit, may be satisfied through the Societies.

The non-officials contend that instead of expanding the Societies in number, it would be better to develop the old Societies and make them stronger. The official does not believe in that theory. He wants to do both. There has been much rope-pulling in this respect, and the increase in expenditure from 3½ lakhs in 1922 to 6½ lakhs in 1925, as remarked by the Hon'ble V. Ramdas Pantalu, shows an increase in State-aid and State organization which, at the same time, means an increase in official

control that is strongly objected to by non-officials. The non-officials have been proposing the transference of responsibility into their hands. It cannot be said with certainty whether the shifting of the entire control into non-official hands will result in more efficient and better organization, but public non-official opinion is so advanced in Madras, that the transfer of control piecemeal would be only thought as halting and slow of the Government, in promulgating the principle of decentralization of official control. But the Hon'ble Ramadas Pantalu has further requested the Government to render help not only by auditing the accounts at the present stage, but also make a more detailed scrutiny of the policy and working of the society that would not be required of an auditor. "Furthermore the Registrar is required not only to discover and expose what is wrong about the working of the Society, but also, and even more so, to assist Societies to correct their mistakes and do their work rightly in future. Indeed the auditing officer is as much the guide, counsellor and friend of the Society as the inquisitor of its mistakes." Taking this into consideration and looking at the passage from an impartial point of view, the present stage of development of the Madras Societies really demands right guidance from the auditor, and having this as our basis, the Government is but right in maintaining a large staff in order to do the work. An increase in the Government subsidy to the non-official workers is a right demand, but a decrease in

the official supervision will weaken the movement, unless there be sufficient reimbursements from the non-officials. The non-official agency has been able to successfully conduct the stores without much Government help. Why are steps then not taken in a similar manner to work the Credit Societies ? Still it is remarkable to know that the degree of self-dependence generally found in this Presidency, is greater than in the other Provinces.

During the last five years, the Co-operative Credit Movement has made rapid progress in the Presidency. There is still great scope for expansion. It will take a long time yet to reach the ideal of forming a Society in each village. The only reason why, in Madras, people keep away from joining the Society is that they want long term loans to wipe off their previous debts. Therefore, there is a great necessity for encouraging long term deposits to facilitate the grant of long term loans. The rural societies are entirely dependent on the financing banks which have been receiving deposits in bulk from one to three years. But, as this question has been under the contemplation of the non-official co-operators for a long time, they have formed a scheme for the floatation of debentures to invite long term deposits in order to encourage this aspect of the movement. Steps in this direction have not yet been taken except in places where the non-official element is working assiduously. As a further fillip Land Mortgage Banks have been

started at various places, and these will be discussed at a later stage.

V. WEAVERS' SOCIETY, PILLAI PALIUM, CONJEEVERAM.

This Society was formed in 1916. There is a very great demand for *Sarees*. There are about 200 houses which are entirely devoted to the work of weaving these fabrics. The object of the Society is to give loans to the members at cheap rates of interest, and bring them together for work. The Society has 385 members. Every member is entitled to purchase any number of shares upto 40, one share of Re. 1 entitling him to a loan of Rs. 25/-. A man having purchased the maximum number of shares *i.e.* 40, can get a loan upto Rs. 3,500. Bye-laws permit local deposits of any kind in the Society. There are non-member deposits to the extent of Rs. 55,000 which bear interest at 8%. Members get loans at $9\frac{3}{8}$%. Defaulters have to pay a penalty. But the members are very loyal to the Society, and the management is very efficient. They have understood the principle of the Movement, and are very alert and keen. Prompt and sympathetic attention is given to any enquiries made. The main feature of the Society is that members are satisfied with its working and the benefits accruing from the Society. On enquiry it was found that during slack seasons in the market, the Society purchases the stock from the members, and retains it till the market recovers. A regular

sale agency has not been opened as yet, but the President and the members are thinking of starting one soon. Regular sales do not take place. In these preliminaries they have succeeded, and sales are being carried on even now without much difficulty. But the society suffers for want of support and proper encouragement which if forthcoming, will help the Society achieve far greater success than at present.

VI. SMALL CREDIT SOCIETIES OF CHINGLEPUT.

Chingleput is a place where many small Credit Societies thrive. These Societies give small credits to hawkers—particularly dealers in perish able edibles. Thrift is encouraged in these dealers. Women, boys and others take small loans repayable on every succeeding day, from the sale proceeds. In this way these poor people are not compelled to dispose of their articles at once as they otherwise might have to. They wait for some hours to get the best offer they can in money for their commodity. People very much appreciate the facilities offerred to them. Byelaws have been framed but unfortunately these poor people do not know much reading and writing, let alone framing laws. These small Societies require and deserve greater encouragement and a more sympathetic attention from the Government as well as from the veterans of Co-operation.

VII. LAND MORTGAGE BANKS.

We have mentioned the starting of Land Mortgage Banks in the Madras Presidency. About four of them have been opened already. Prominent among these is the one opened by the Central Bank, Conjeeveram. It has started granting loans for 20 years' duration. No definite policy has as yet been laid down as the scheme proposed came in for much adverse criticism. A scheme promulgated by the Co-operative Department, and enunciated by Rao Sahib K. Devashikhamani Mudaliyar, Joint Registrar, has not been accepted by the non-official public with favour. The main point that deserves our particular attention is whether or not, the primary Society be made also the place for the distribution of the long term loans. The critics have disapproved of the alternative as they do not like to entangle the village societies in land-mortgage banking.

The rural Credit Societies were not able to give sufficient loans to their members for long terms, and as it was also necessary to invite large sums for the purpose, land-mortgage banks were formed. These banks will work on a limited liability basis, and each bank will limit its jurisdiction to a number of villages around it for the purpose of its operations. The borrowing power has been limited to 15 times the paid up share capital. The bank will issue debentures for sale to the public on the strength of the landed property each individual member will pledge to the bank.

In order to help and popularize these banks the Government has agreed to purchase the debentures equal to the value of debentures which the banks are able to sell in the open market but subject to a limit of Rs. 50,000.

The object of these banks is not only to relieve the cultivator from temporary difficulties in obtaining ready money but to completely wipe off his indebtedness, and utilise his credit for productive purposes. "Debt by itself is not reprehensible, while debt for unproductive purpose really ruins the *ryot*."

Madras has discussed the question of these banks threadbare. Differences of opinion between the officials and the non-officials, has accentuated the controversy which hinders the Movement in the direction of further and speedier development. The State has aided the Movement in so far as it has purchased the debentures to the extent of Rs. 50,000/- for each of the 4 banks already started. About 75% of the population in the Madras Presidency entirely depends upon agriculture, and the non-official public is therefore very particular in getting more State aid. In his Pamphlet the Hon. V. Ramdas Pantalu says: "It (the State) can improve the system of record of rights to ensure safety of titles. . . . . It can advise the *ryot* on the best and most economic method of agriculture through its expert officers, and instruct him in proper use of credit and against its misuse. It can inaugurate a system of rural schools of education and promote the economic and social develop-

ment of the rural population. All these are State aids to the success of Land Mortgage Banks. The State has been the cause of success of Land Mortgage Banks in every country in Europe, and State aid is a prominent feature in America. Mr. Menon says 'that State aid does not make the farmer less self-reliant is shown by the fact that farmers are among the most prosperous in the country in those States where loans are made to them'."

We cannot as yet offer any opinion on the working of these banks, as they have been very recently started, but it is necessary to point out that Land Mortgage Banks should not grant loans to individuals, but to a Society as a whole, on the mortgage of lands collectively. Nothing better can be said than to reproduce the words of Mr. F. W. Strack: "The only successful Co-operative associations for long term credits in other parts of the world are those where the members only are borrowers. Experience of many years and many countries proves that such associations are the best for obtaining long term loans at low interest and on easy terms. The Association issues debentures and in exchange its members—the borrowers—give it a mortgage over their property. The European farm mortgage is generally from 10 to 75 years duration, equal instalments being paid with interest quarterly, half yearly or yearly. The rate varies according to circumstances but from $\frac{1}{2}$ to 1% is added for sinking fund, when periodical repayments are made. These sinking funds are reinvested with the society and carry interest.

In France true amortisation is the rule, that is, so much interest and principal is payable at stated intervals so that as principal is paid off, interest payments decrease until finally the last payments include scarcely any interest but mostly principal."

VIII. MADRAS CENTRAL URBAN BANK.

This bank is the Provincial Co-operative Apex Bank of the Madras Presidency. The capital of the Bank is 6 lakhs of rupees made up of preference shares and ordinary shares of the face value of Rs. 100/- each. The preferential share-holders have a preferential right to dividends upto Rs. 9/-% on their paid up share capital. The preferential share should be bought up and eventually extinguished. It has been observed during the previous few years that loans to central banks are decreasing steadily. The reason is quite clear. The central banks do not require any loans as they are growing self-sufficient from local sources to meet all their requirements, and thus the demand is reduced on the apex bank.

The Provincial Co-operative Bank, Madras, grants loans to non-member depositors on the security of the promissory notes, debentures, stock or other securities and deposits with the bank; and these loans are not granted on the security of the deposits when the demand exceeds 90% of the amount of such deposits. Loans have so far been granted as short term loans only, but the limit of the period for repayment has been put at 12 years.

Loans are granted to members at the rate of 7% and to non-members at the rate of 7½%.

The bank has opened for the benefit of small depositors Prudential Deposit Accounts and Provident Fund Deposits Accounts. For the former, interest at the rate of 4½% per annum is allowed on daily balance of Rs. 5/- and its exact multiples, and the same is allowed to the principal amount, on the 31st December and the 30th June every year. Any sum from Re. 1 may be withdrawn at a time, but no one is permitted to withdraw more than Rs. 100 in one week.

The Provident Fund deposit is made for a number of years, not less than seven and not more than thirty, at the rate of one rupee a month or an exact multiple thereof. Any person can make deposits under this fund. The deposits will bear an interest at the rate of 6% per annum.

The Madras Provincial Bank has no direct dealings with the primary Co-operative Societies. The Madras Central Bank has a large amount of surplus money which could not be utilized within the Presidency. The bank has been granting money on loan to banks outside the Presidency also but only in British India. It is reluctant to grant loans to the co-operative banks in the Indian States.

CONJEEVERAM CENTRAL BANK.

This is a district bank, and receives deposits by (1) fixed deposits, (2) accumulated deposits, (3) recurring deposits, (4) savings deposits, (5) current deposits, (6) share deposits by

individuals or by societies, (7) reserve fund deposits, (8) deposits of local bodies, (9) *Abkari* deposits, (10) security deposits and (11) prudential deposits.

1. The fixed deposit which is received for a fixed term bears interest at 6 to 7 per cent.

2. An accumulative deposit is a deposit account in which the depositor is allowed to pay any sum at any intervals, according to his convenience in order to accumulate such amounts into one or more ordinary fixed deposits. This will bear 6¼ per cent. per annum paid by instalments till the sum is transferred to a fixed deposit.

3. Recurring deposits may be made for 24 to 25 months. A depositor paying Re. 1/- a month will at the end of 25 months, be paid a sum of Rs. 25/8/-.

A depositor paying one rupee a month for 45 months will on or before the 46th month, be paid Rs. 50/-.

4. A savings deposit account may be opened by any person with an initial payment of one rupee, and interest at the rate of 5 per cent. per annum will be allowed.

5. A current account may be opened with a sum of Rs. 5/- and interest at the rate of 3 per cent. per annum will be allowed on a daily balance of Rs. 5/-.

6. (*a*). Share Deposits (Individual).

An applicant for shares other than a society may, if he chooses, pay along with his application full value of the share of Rs. 100/-. Interest at the rate of 6 per cent. will be paid on such deposits.

(*b*). Share Deposits (Society).

A Co-operative Society should at least pay one share, to be admitted as a member and to be entitled to take a loan upto Rs. 1,000/-. For an additional thousand rupees to be borrowed, the member must take an additional share, and, for every share Rs. 10/- has to be paid in advance as a first instalment.

7. Reserve fund deposits to be invested in the central bank should be credited to the reserve fund deposit. An interest of 6 per cent. will be paid on it.

8. Deposits either of the surplus funds of the local bodies or of their contractors may be received at such rates as may be settled in such individual cases, provided that the rate of interest on any such deposit does not exceed 6 per cent. per annum.

9. Deposits of *Abkari* renters under the conditions of *Abkari* rules are accepted as fixed deposits. The limit of Rs. 100/- is relaxed and the interest allowable is only 4½ per cent. per annum.

10. Security deposits are those offered by employees under this central bank or Government or local bodies or other public institutions, and those invested by contractors as fixed deposits.

11. Prudential deposits.

This is a deposit by which the depositors secure payment of Rs. 25/- or any multiple thereof at the end of 5 years on immediate payment of a lump sum of Rs. 18/- or the corresponding multiple thereof. In case of repayment before time the sum will not bear interest of more than 6 per cent. per annum.

LOANS TO SOCIETIES ON AN UNLIMITED LIABILITY BASIS.

The maximum period for which loans are ordinarily granted is 5 years. In the case of societies classed as 'Good' or 'Fair,' loans upto a maximum period of 10 years are granted when funds are available. Loans for a period exceeding 5 years are granted on the explicit recommendation of the Union.

LOANS TO INDIVIDUALS.

The Society grants loans to an individual also, when he holds not less than 5 fully paid up shares to his credit in the bank, besides current and savings deposits of not less than Rs. 2,000/- and he is granted a cash credit of not more than 25 per cent. of his deposits in the bank, subject to a maximum of Rs. 600/-.

Below is an extract from a statement of progress of the bank during the last two years.

The amounts given are in lakhs upto column 9.

Year.	Number of Members.		Paid up share capital.	DEPOSITS.	Overdraft with Imperial Bank.	Borrowings from M.C.P. Bank.	Loans outstanding against members.	Working capital.	Net profit.	RESERVE.	Rate of Dividend paid.
1924-25	561	90	2·92	12·21	0·65	12·12	27·61	28·25	41·443	35·000	9%
1925-26	629	88	3·27	18·14	1·47	7·89	30·64	31·28	53·203	47·000	9%

IX. MADRAS TRIPLICANE URBAN CO-OPERATIVE SOCIETY, LTD.

It is laid down in the byelaws of the Triplicane Urban Co-operative Society Ltd. that the aims of the Society are:—(*a*) encouragement of thrift and self-help, and provision of credit for the members by means of co-operation, enabling them to deposit their savings and securing for them loans for useful purposes at reasonable rates ; (*b*) the purchase of necessaries of life for retailing to the members of the Society ; the carrying on in common for the benefit of the members of the Society of the trade of general dealers both wholesale and retail, and the establishment and conduct on the co-operative principles of such other lines of works or departments of business as from time to time

may be resolved upon by the general body of members.

The Society is working on a limited liability basis, and the responsibility of the member does not go beyond the share capital subscribed by him. The Society has two sides :—(*a*) for maintaining a store which makes available the necessaries of life for the members; and (*b*) granting of credit in cash.

(*a*) The Society has spread itself into 20 branches and it has almost covered the whole of the Madras city. There are 4195 members, and the paid up share capital is Rs. 66,702-4-3, at 5 rupees each share. The authorised capital has been fixed at 1,00,000.

The store is working on a sound basis. The flourishing condition of the store in Madras is chiefly due to the loyalty of its members. Transactions are carried on in hard cash. Strict orders have been issued not to sell articles on credit. Profits are distributed half-yearly. Sales have been carried on to the extent of about Rs. 5,00,000, during the half year 1925. Proper arrangements for a godown at the head office have not yet been made. This is a great drawback, and needs to be remedied soon. A proposal for the conveyance of goods by motor to the different branches, is under contemplation. Whether or not to purchase the commodities direct from the producer, has been for sometime engaging the consideration of the directors

and the members. This is in order to eliminate the middleman, who, in spite of the Movement is still a gainer to a great extent, and squeezes profits both from the consumer and the producer. The store intends opening shops in different villages to supply necessaries to the villagers, and in exchange purchase the commodities required for the stores in Madras, and transfer these for sale there. We are not very sanguine of success of this arrangement, though in theory it seems so plausible. But the method in which the Madras Stores has been working since 1904 speaks very commendably of the co-operative spirit and education of the Madrasi, and keeping these things in view, it is not beyond the purview of possibility to join the consumer and the producer. The main point to be considered in this connection is what the margin is between the wholesale and the retail price of the commodity. From enquiries it is found that there is not much difference. Whether the trouble is worth the achievement of success, if success can be attained at all, is really a point that is to be considered before any attempt is made in this direction.

(*b*) There is another side of the Madras Stores, which is doing business in the credit branch. The funds for the grant of loans consist of such amounts not exceeding one half of the subscribed capital as the Executive Council may set apart.

(*i*) Funds raised from deposits.

(*ii*) Such '*Chit*'* fund moneys as have not been invested otherwise.

The Society grants loans on (1) the strength of the security of depositors concerned, (2) mortgage, and (3) Government securities.

In this Presidency there are about 85 stores working, among which those'in Madras, Madura, Ramnad and the Nilgiris, are working very satisfactorily. It is very good business on the part of these stores that no credit system is allowed, and hence these stores are prospering. In England many stores have failed in this as the " constant draught on the capital caused many societies to lose strength and elasticity in the business." †

The Madras Store has one reading room attached to every branch and there is a proposal to start a dispensary for the benefit of the members.

---

*On an application in writing of ten or more members, the Executive Council may start and conduct *Chit* funds to secure savings and afford credit (to the limit of those savings) among the members, who so apply, subject to rules as may be from time to time in force. The number of members of a *Chit* does not exceed 24, and the period that it can run is only 24 months. The amount of the *Chit* cannot exceed Rs. 2,400. In disposing of the *Chit* amount the discount will not be less than 3 per cent. and not more than 6 per cent.

† Distributing Co-operative Societies by Dr. Lugi Pizamiglio.

X. MADRAS SALT LAUNDERS CO-OPERATIVE SOCIETY, UNLIMITED.

This Society was founded in 1913. The object of the Society is to borrow funds on the joint and several responsibility of the members, for useful purposes, and generally to encourage thrift, self-help and co-operation among the members, and to undertake the laundering of salt, or other contracts that they may be able to secure from the Government.

The Society was started to eliminate the middleman—the contractor who was employing labour on this account and was making enormous profits for himself. Great need was felt to form a Society for the workers, and a Labourers' Working Society was organised. Salt is manufactured in Madras, and much labour is required for the loading and unloading of this commodity in the depot. The purchaser of salt has to pay in advance to Government the price of the salt purchased and also six pies per maund for its carriage (which is deposited by him with the Government beforehand). There is, therefore, a large amount deposited with the Government for the engagement of cheap labour.

This work was usually taken up by a contractor who used to pay the labourer a daily wage—generally the market rate—and sometimes, when labour was cheap, below the ordinary wage. Since the formation of this Society labour has been divided into different classes, in order to facilitate work and the speedy loading of salt into wagons. Difficult

and expert labour is differentiated from easy work, and wages are paid accordingly.

By the formation of an association like this, the wages of labourers have been decidedly increased as compared with the wages given in the market, and lasting benefit is secured to the wage earner by :—

1. The elimination of the contractor, and the distribution of profits accruing thereby amongst the labourers.

2. Higher wages—

   (*a*) whereas the contractor got the work done in 6 months only, and thus giving little time to the purchaser for taking delivery of the goods, the labourers do the same work for 9 months.

   (*b*) the labourers get wages for 9 months now as work has increased, and the purchaser his convenience as he is given an extension of time to clear the goods

3. Division of labour which saves time.

4. The annual profits the labourer gets on the savings made by him during the year.

5. Grant of loans on easy terms when the labourer is in need.

6. The educative value which has made the labourer realise how to save and be thrifty.

The labourers are divided into 7 classes, and every class has its own elected headman who is a member of the directorate consisting of 8 members. The Co-operative Department has, in order to guide this directorate and to maintain accounts, lent to the Society the services of a senior Inspector. The Government official draws his pay from the Society, and he has to look into all the affairs of the Society.

The Society got a loan of Rs. 2,000 from the Central Urban Bank which has since been paid off. It has created a reserve, and out of this reserve it grants loans to borrowing members.

Loans are granted to individual members on the recommendation of the headman of the class, with other sureties. Usually an agreement is given by the class through its headman to the directorate for repaying debts, either by working with the class or making the payment at once as an alternative.

2. An advance when required is given in the form of a loan on which interest is charged at $9\frac{3}{8}\%$. There are other wage earners who are not members. They are paid on the daily wage system: but wages are decidedly higher than in the market. There are others who are regular employees of the Society yet working as labourers—and these are generally the 'experts.'

The maximum value of one share is Rs. 5/- payable by instalments of one rupee. The share capital has risen to Rs. 370.

The Society is being guided by a retired Registrar of the Co-operative Department, Madras.

XI. MOUNT ROAD FIRMS' EMPLOYEES CO. LTD.

This Society has been founded on a limited liability basis for the convenience of the employees of the Mount Road Firms. The objects of the Society are (*a*) to encourage thrift and self-help in employees; (*b*) to make joint purchase of the domestic and other requirements of its members and (*c*) to purchase and own implements and machinery for home industry and give these on hire to its members.

Liability of the members is limited to the subscribed capital. Every member must take one share at least, and no one can take more than 20. For every share taken he has to pay annas two as entrance fee.

Deposits are received both from members and non-members, and divided into the following 3 classes.

(*a*) Provident Fund Deposit.

This deposit is intended to make provision (1) for themselves against incapacity, (2) for their families and dependants in the event of

their death, (3) for special occasions and purposes such as children's education, marriage and also for giving them a start in life.

(*b*) Home Safe.

Every member is supplied with a home safe in which he is expected to put, at his convenience, any money, and deposit the same with the Society once every month. The savings so made are credited towards his loans, if he has taken any, and the balance to his savings on which interest is given.

(*c*) *Chit** Funds Deposits.

A member cannot borrow more than double the amount of the paid up share capital *plus* the deposits that he has to his credit with the society.

The share capital will bear an interest of 9%. A Reserve fund is being accumulated by carrying a fourth of the profits to this fund. This fund belongs to the Society, and is intended to meet unforeseen losses. No member can claim a share in it. On the dissolution of the Society the reserve fund and other funds will be utilized for paying off the liabilities and shares.

* *Chit* Funds have been explained on page 83.

XII. BUILDING SOCIETIES.

There are some 78 Building Societies in the Presidency including two such agricultural institutions. The Government has granted loans to these Building Societies up to 8 lakhs of rupees at an interest of 6½ per cent. This loan is repayable in 20 annual instalments of equated payments. About 372 houses have been completed at a cost of 10,82,923; and 272 more houses are under construction. All these Building Societies are working on the *individual owner system* of Housing Societies. There are no such Housing Societies that work on a *co-partnership tenancy* basis. Madras has yet to learn this from Bombay.

THE MADRAS GOVERNMENT SERVANTS CO-OPERATIVE BUILDING SOCIETY.

This is one of the flourishing Housing Societies in Madras and this is the only Society which is working on a sound basis. The number of members is about 103, and the subscribed share capital is Rs. 38,000. The Society has purchased land in Gopalapuram, one of the extensions of the Madras city.

There are about 114 plots available, and about 20 plots have been reserved for roads, sanitary lanes and for common uses of the Society and the growing new colony of the Government servants.

The Society can borrow from the Government only, and the borrowings have come to 86,850 rupees.

INTEREST.

The interest charged to the Society is $6\frac{1}{2}\%$ and the Society is charging $7\frac{1}{2}\%$ from its members allowing a margin of one per cent. for working expenses.

ROADS AND DRAINAGE.

A sum of Rs. 2,110 has been sanctioned by the Society for the construction of a drainage scheme for this small colony. The Madras Corporation has given the Society power to make their own arrangements, but so far there has been very little progress in this respect. The roads and streets are metalled.

GENERAL.

This is a small, well-laid out colony with beautiful groves, the construction of the buildings being a mixture of the old Madrasi Dravidian style and the modern Anglican style. But the need for ventilation seems to have been ignored. The rooms are dark; and a drawing room of one of the houses visited, obtained its light and ventilation through its doors alone, there being no windows at all ! Such rooms are perhaps suitable for the warm climate of Madras! Some of the buildings present a view of symbolic interest, and do not give an idea of aesthetic taste. In the construction of the buildings there is a combination of the intellect of the plan-making craze of a draftsman of the Public Works Department, and the symbolic embellishments on the surface, made by the suggestions of the owner

of the house. The buildings are particularly marked by the entire absence of indigenous art —either of modern or old Dravid architecture. It seems as if an ambitious scheme had been carried to its completion in haste and hurry.

XIII. MISCELLANEOUS.

The credit movement has progressed to a very great extent in the Madras Presidency. It has also advanced on the non-credit side, and has given rise to many different societies in addition to those described above. It has thrift societies, wage earners societies, cattle insurance societies, societies for the uplift of the depressed and backward classes. The last named Societies fall under the following groups :—

(1) Societies in charge of the Labour Department.

There are 1,738 societies with 45,785 members with a paid up share capital of Rs. 2,38,338. Borrowings from the Government for purchase of house sites so far amount to Rs. 2,16,818, and the borrowings from the Central Banks amount to Rs. 1,31,996 which is the working capital.

(2) Societies in charge of the Co-operative Department.

The societies for the depressed and backward classes under the direct supervision of the Co-operative Department, number 714. They have

23,552 members with a paid up share capital of Rs. 1,44,831. These societies held Rs. 5,155 in the shape of deposits from members and Rs. 6,28,112 in the shape of loans from central banks.

(3) Societies for members of the 'criminal tribes.'

There are 5 such societies. The number of members is 499 with a paid up share capital of Rs. 5,388. The working capital amounted to Rs. 8,311 which was composed of share capital and members' deposits. All these societies worked at a profit which amounted to Rs. 636.

(4) Societies for municipal employees (Menial Staff).

There are 43 societies exclusively for scavengers and sweepers employed in municipalities. The number of members was 4,346, with a paid up share capital of Rs. 32,244.

(5). Societies in the Agency Tracts.

There are 20 such societies. The number of members is 5,888, with a paid up share capital of Rs. 25,146. Goods were sold to the value of Rs. 31,782 to the members, and to the value of Rs. 26,010 to the public.

CHAPTER IV.

BENGAL.

The area of the Presidency of Bengal is 76,843 square miles and it has a population of 45,569,145. Bengal comprises the lower valleys and deltas of the Ganges and the Brahmaputra, and in the main consists of a great alluvial plain, intersected in its southern portions by numerous waterways. The general range of the country is very low and a great fertile plain extends southwards. According to the returns of the Census of 1921, 77% of the population or 37 millions derive their support from agriculture and pasture lands, and about and 30½ millions are cultivators, and 4⅓ millions form servants and field laborers. The area under the cultivation of jute as estimated in 1923 was 24,44,408 acres as against 15,50,600 acres in 1922. Bengal is the most important rice producing province in Northern India and more than 85% of the cultivated area is devoted to this crop. Other crops include barley, wheat, pulses and oil-seeds; the area devoted to the cultivation of oil-seeds being 14,83,700 acres. Tobacco is grown for local use in every district.

Besides its agricultural industry, Bengal has its *jute industry, tea industry* and *coal mining*, and there are many other industries which give work to laborers to a great extent.

II. GENERAL READING OF THE MOVEMENT IN BENGAL.

There are about 12,500 societies of all classes and a little over 100 central societies including central banks with 4,50,000 members. The total working capital is nearly 7.5 crores as against 6,18,38,560 in 1925 and 5,07,66,290 in 1924. The whole of the amount is not utilised for the Movement. From a banking point of view the Movement appears to be flourishing and sound. The number of Credit Societies is not on a par with the other Presidencies but its importance, as a sound system of rural finance, based on democratic foundations, is being gradually appreciated. The number is steadily increasing, and the societies are becoming financially independent. Co-operative banks, as a rule, do not invite deposits on demand and therefore are immune from the effects of sudden panics that sometimes overtake commercial banks, and this feature is found to exist in Bengal to a high degree. A point to be particularly noted in Bengal is the habit of thrift promoted in a practical way by the introduction of safe boxes to popularise the savings habit. The introduction of this system by several banks, had appreciable effects. Such developments in banking habits will secure incalculable benefit to the country 'as it will not only prevent the absorption of metallic currency, but will also stimulate the use of internal capital for the development of the resources of the country.'

Bengal is perhaps the only Province in India where Anti-Malarial Societies have been started, and are proving of immense benefit. The Milk Union of Calcutta is doing commendable pioneer work, *viz.* the supply, after pasteurization, of milk on a co-operative basis. The beneficial work done has gained recognition and it is understood that the Corporation of Calcutta is considering the question of subsidizing the Union in the interests of the rate payers of Calcutta.

III. AGRICULTURAL CREDIT SOCIETIES.

The number of agricultural societies in 1925 was 9,835; the total number of members 2,46,043 and the total working capital Rs. 2,13,81,661.

Sources of the working capital of the agricultural societies in 1924-25 were :—

1. Share capital paid up	14,71,633
2. Deposits from members ..	9,33,455
3. ,, non-members	8,50,873
4. ,, other societies	77,553
5. Provincial Central Banks ..	1,49,74,424
6. Loans from Government.. ..	1,804
7. Reserve Fund	30,71,919
Total working capital ..	2,13,81,661

During the last few years more societies have grown up, and these have agreed to work on a share basis. Under this system payments towards share capital are treated as deposits non-withdrawable, bearing interest until the full

share capital is paid up, when these deposits are converted into share capital. Deposits have increased in this way to a great extent. Supervision, through central banks, of the primary societies is really a great boon to the members as it means one's own supervision over one's activities. It is very essential that officials should retract, as far as possible, from their business of being hard task masters of the societies, and they should give the people an opportunity to learn, and correct their mistakes themselves. And the officials should be non-interfering if the supervision is carried on scrupulously and honestly by influential members of the society. Such members, usually are also the representatives on the Directorate of the Central Banks. Bengal is doing much in this respect in order to avoid the malpractices of office-bearers and influential members of the society. One of the Bengal Assistant Registrars reports : "The Movement has not yet been able to eradicate the habit of unpunctuality which grows from the feeling induced in members that they can with uniformity evade payment when they see office-bearers of their societies persistently and wilfully defaulting after appropriating the lion's share of the loan for themselves. The societies have not yet developed a sense of responsibility among office-bearers who sometimes evince a marked disinclination to take action against their defaulting colleagues."

Collection methods in many districts in this Province, are not popular, because the Movement

does not seem to have instilled the right spirit in the minds of those who borrow; and they do not understand the value of prompt and regular repayments. Except in some districts the Movement does not show signs of any great advance, but it is really worthy of notice that there are some places in Bengal which have, in certain respects, done excellent work in the matter of credit. Members of a society living in localities that are not subject to climatic caprices do not even like to take long term loans, and as in many places in Bengal the climatic conditions are favourable, only short term loans are generally asked for. The farmer usually keeps to the right path, and is mindful of his own interests and seldom, if ever, influenced by perverse counsels. But, if unluckily he gets caught in the clutches of a money lender he can never easily get free. There is much need for a better and stricter supervision of the Bengal Credit Societies, and much spade work yet remains to be done in this sphere.

IV. BENGAL CO-OPERATIVE ORGANIZATION SOCIETY, LIMITED.

As in the other provinces, Bengal also has founded a Bengal Co-operative Organization Society. The main objects of this Society are to promote the Co-operative Movement and to serve as a centre of co-operative activity in the Province. This Society is meant to further the Movement from non-official sources, and help

the officials to promote the formation of as many new societies as possible, to reach the ideal, and to disseminate knowledge in the province of Bengal, of the principles of Co-operation.

It is publishing one Co-operative monthly journal, and translates English Co-operative literature into Bengali, to promote rural welfare schemes, and publishes and distributes such literature as is needed for educating the public.

It intends organizing training classes for co-operative workers, and to achieve this end it proposes to maintain in Calcutta an up to date Co-operative reference library. Nothing practical has yet been done.

It has organized many Conferences, and still in its infancy it shows promise of progress and rapid growth in course of time.

V. AGRICULTURAL PURCHASE & SALE SOCIETIES.

	No. of societies.	Membership.	Working capital.
			Rs.
1923	21	4,147	1,54,641
1924	22	4,441	1,56,149
1925	33	5,337	94,419

From the figures given above it is noticed that the number of societies has increased with an increase in the number of members. Working capital in the year 1924 has increased, but the sudden decrease in the working capital of 1925

is due to the fact that the societies in one district had quicker turn over of the capital, with the result that they earned larger profits and were able to pay back their deposits.

Some Sale Societies have been working in co-operation with big firms in Calcutta, and thus securing better terms for the producer. Most of these societies have been started to sell paddy and jute in particular. Sale entirely depends upon the demand for the produce. For the matter of that the management charges are increasing gradually. When the expenditure on management increases, and when the difference between wholesale and retail rates cannot allow for a sufficient margin of profits, the price of the produce has naturally to be raised to a certain extent. In some places the central bank finances weaving schools attached to the Sale Society—yarn being supplied by the Society, and the finished product taken back by it.

It is an understood thing that a Co-operative Sale Society, for the matter of that any organization undertaking to work as sale agents, must face innumerable difficulties. Sale Societies, therefore sometimes have to work at a loss on account of the opposition they meet at the hands of rings and combines who are out to stifle the competing society.

The Registrar of the Bengal Presidency is not satisfied with the working of these Sale Societies, but such disappointments have been the experience of other Provinces also. Bengal has, there-

fore, abandoned for the present the expansion of this side of the movement, by forming separate sale shops for which, we think, it is necessary to have more experience. In the meanwhile it is considering the question of opening supply annexes to the primary Credit Societies. But here again the system is not likely to attain success as may be perceived from the experience gained in Madras. The Bengal Registrar in his report of 1925 says :—

"Under this system the Credit Society will perform the function of commission agent for its members by collecting orders from them for the purchase of agricultural and household requisites and passing them in bulk to a wholesale dealer . . . . . . This system will also be economical, in that it will save the need for a separate organization, capital, staff and storage. . . . ."

This system may appear very successful on paper. But there are practical difficulties. A cultivator may require agricultural requisites—*e.g.* seed—at once, and the agriculturist cannot make a requisition of his household requirements in advance, for he requires things in very small quantities, and cannot pay the full price for the supply of all his requisitions at once, nor can the shop-keeper wait and give things on credit which will be detrimental to his interests. In case credit is introduced in this respect also, much difficulty might be experienced as the Society will be encouraging the grant of loans for unproductive purposes,

except in the case of seeds or manure, provision for which can be made by the Society separately. The Society, it is presumed, will work as commission agent, and the commission earned will later on be distributed as profits among the members of the Society. To make arrangements for the supply of the requisites, the wholesale dealer will either supply the demand in retail himself or wholesale it to the Society. For the latter a store will be necessary and a regular sale to retail it to the members. But if the sale is made in retail to the members direct there will be no commission to the Society or, in case of a grant of commission to the Society if paid by the dealer for securing orders, it will ultimately be got from the purchaser. It will thus be an indirect and unnecessary burden on the agriculturist. Under these circumstances it seems perhaps very necessary that a separate establishment will be required by the supply annexes also. This matter can better be discussed separately with the problem of joint sale of produce.

A scheme was formulated by the Cooperative Department, Bengal, to start sale and supply societies and "to link them into a wholesale society with head quarters in Calcutta." "It is not our intention," says Mr. J. M. Mitra, "to federate them on a commodity basis, but we propose to have our organization working on a departmental basis, each department dealing with the commodity it is entrusted with. Such a federa-

tion will not require an enormous capital, it can work largely in contra accounts and its trading capital wherever and to whatever extent it may be required by each department in turn. The management of such a concern will doubtless require imagination and foresight, for without these qualities it will be difficult to visualize systematic marketing and purchase ...."

The scheme as propounded above might be given a trial, but as it is, no definite opinion can be expressed on its working. Looking at it from the practical point of view, these societies, as the distributing societies of Madras, can achieve success, provided there is a marginal difference in the wholesale and retail prices, and whether this margin will suffice to pay the management and for the conveyance of supplies from the villages to the wholesale society in Calcutta is a different question. A wholesale society in Calcutta managing its conveyance from the places of the produce may have to undergo great expense. It is true the middleman will be eliminated but then his place will be taken by a manager with an establishment to boot! There does not seem any benefit in giving the scheme a trial for, these distributive societies or sale societies have been of great disappointment so far not only to Bengal but to the "centralized Punjab" as well. It would be but right to start sale societies in one form or the other, but from our experience it is too early as yet to assure any success.

VI. IRRIGATION SOCIETIES.

	No. of Societies.	No. of Members.	Working Capital.
			Rs.
1922	29	..	..
1923	114	4,689	77,658
1924	173	7,376	1,24,651
1925	268	10,368	1,90,124

People in Bengal evince a strong leaning towards these societies with the result that they have rapidly extended. Propaganda has been carried on by the departmental staff which was specially strengthened for the purpose. Increasing public appreciation of the Government help in this respect, resulted in an increase in the number of such societies and the irrigation movement is fast gaining ground in this Province.

VII. CO-OPERATIVE AGRICULTURAL ASSOCIATIONS.

The number of agricultural associations is about 20 with a membership of 325 and a total working capital of Rs. 8,381/–. These societies have been started for making experiments on the lands of members, with seeds recommended by the Agricultural Department. Their object is to carry on agricultural propaganda throughout the villages, after successful experiments. "They were intended to be model agricultural farms organized on a co-operative basis and run on commercial

principles in the locality, in favour of scientific agriculture." These associations were given a fair trial in Bengal, but they do not seem to flourish without constant attention and aid from the Agricultural and Co-operative Departments.

VIII. MILK SUPPLY SOCIETIES.

The Co-operative Milk Organization, as it exists at present in Calcutta, is composed of two groups *: (1) the rural societies which are the producing centres and (2) the Milk Union which is the distributing centre.

The rural society is the unit of the organization and generally covers a village. Its members are *bona-fide* milk producers, whose primary occupation is agriculture with milk production as a secondary occupation.

These societies are affiliated to the Milk Union, which is the central society. It was registered in May 1919, and is located in Calcutta. It supervises, controls and finances the individual societies, and arranges for the distribution and sale of their milk in Calcutta. It is a typical central society, and does not include any individual share-holders. The milk producers are the members of a milk society and the milk societies are the members of the Milk Union in Calcutta.

---

* Milk Supply of Calcutta by S. K. Ganguli, Asstt. Registrar of Co-operative Societies, Bengal.

The Union takes delivery of milk at certain stations or collecting depots from the societies. The Union maintains at group-depots, managers who transport the collection by rail direct to Calcutta. There is a responsible officer of the Union who takes delivery of the consignments, and distributes the milk among the consumers.

The societies are arranged in groups for the purpose of collecting milk by paid milkers and carriers, each group consisting of 6 or more societies. The milk obtained in a group is collected at a depot which is under the charge of a depot supervisor, whose duty it is to receive the milk in properly sterilized cans, measure it, note the readings in the lactometer and give a receipt to the carrier.

Above these supervisors, there are depot managers and society managers. There is also the veterinary inspector, who examines and treats the cattle belonging to the societies, and looks after the milking arrangements and the sanitary conditions of the cowsheds.

The Union has got a pasteurising plant and a boiler. All distributing cans are properly sterilized. Milk is generally distributed raw to individual customers, but the supply to hospitals is pasteurised. The Union owns a motor lorry and has also introduced the cycle lorry system of delivery. Milk is also carried by hand carts and coolies for delivery to customers.

The number of these Milk Societies is increasing. There are about 65 societies with a

membership of about 3,000. These societies are all affiliated to the Calcutta Milk Union which is devoting more of its attention to consolidation than that of extension.

The Union is advancing large sums of money and helping the producer to a very great extent. The member is supplementing these advances, as he is conscious of the large profit he is deriving from cow-keeping. The cultivator, who finds this business very profitable, is very quick to adopt scientific methods in keeping his cows healthy. The profits are so high that most of the societies have obtained financial independence, and work with their own capital.

The Union is now pursuing steadily the policy of consolidation, and much attention is not devoted to the increase of the number of societies as to the weeding out of bad ones, and recalcitrant members and to the exercise of adequate checks. Although attempts are made to ensure a regular supply of good milk, very little effort is made to increase the quantity supplied. But it is steadily increasing.

A new pasteurising plant has been substituted for the old one, which cost the Union a sum of Rs. 50,000/-, and now it will be able to prevent a deficiency in the supply during the rains by storing on dry days the unsold milk.

IX. NOWGAON GANJA CULTIVATORS SOCIETY, LTD.

This society is an association of the *Ganja* cultivators in Nowgaon. These cultivators always used to be debtors to the money lenders, and their produce yielded them very little, while the middleman was making enormous profits. In order to be spared from the clutches of the money lender, a society of these cultivators was formed on a limited liability basis. There are about 3,681 members of this Society with a share capital of Rs. 41,310. Deposits from non-members are increasing, and these have gone up to nearly Rs. 2,68,619. The members' deposits are appreciably growing, and these amount to about Rs. 63,216. The total working capital has decreased as compared to the previous years because the loan taken from the Bengal Provincial Co-operative Bank was repaid.

The total sales of the drug during the year, came to about 11 lakhs of rupees. Thus enormous profits are earned by the Society, and the middleman has been entirely eliminated from these districts. The Society has opened 3 charitable hospitals which are working under the supervision of civil surgeons of the district. It has a veterinary hospital, and encourages the breeding of bulls. The members have started an agricultural association for experimental purposes. The Society has been granting funds towards a high school, and a few primary schools, and also stipends to the children of *ganja* cultivators, for their education. There

are in addition to these schools, night schools which are entirely meant for adults who are given free instruction. It has built a temple and a mosque for the convenience of its members. The Society also owns a very fine building. This is an ideal Society, and is doing excellent work. Almost all the members understand the significance, and realise the aims of Co-operation. There is sufficient alertness and earnestness inculcated into the the mind of these cultivators, and cultivators of other produce are feeling the need and urgency for such a society of their own and are trying their best to form themselves into societies.

X. OPERATIONS OF AGRICULTURAL SOCIETIES.

These Societies may be divided into several heads —

1. Credit Societies.

These are wholly limited liability societies. They draw their membership from all classes of people, or are composed of members of a particular class or calling or business. The total membership is 72,553. The paid up share capital is about 26½ lakhs and the total working capital 97 lakhs. Non-members' deposits are 32.57 lakhs. The Municipal *Mehtars*' Association seems to be flourishing.

2. Stores and Supply Societies.

The Stores and Supply Societies do not seem to have made much progress in Bengal. When

a store is likely to be handicapped by a private competing firm, the members should be loyal to their Society and help it to tide over difficult times. But such a spirit does not exist, and as the members do not seem to have much to risk even in the way of shares, they naturally go to the cheapest place. A Sale Society necessitates maintaining an efficient staff to carry on the work and sometimes the expenditure increases and the purchaser feels this to be a burden which he does his best to avoid. "The general decline which, on the whole, Co-operative Stores have suffered might well have been avoided if from the first, membership had involved larger risk on the part of members through larger initial outlay in paid up share capital and greater liability under the byelaws."† Credit sale spoils the store mainly, and inefficient and dishonest management contributes to its speedy failure. A store dealing with the common necessaries of life will not in any case involve much trouble, and this would be of great benefit to the members if it is realized that the "sources available from the stores are not confined to the provision of goods at low prices and that with a modicum of hard work and honesty on the part of the management a tolerable degree of success could be ensured."

3. Artisans Societies.

(*a*) Conch Shell Societies.

There are about 8 Conch Shell Workers Societies. They have a membership of about 265

† Co-operative Report, 1923-24.

with a paid up share capital of Rs. 95,829. They do the work of purchasing conch shells on a co-operative basis, but there are no arrangements for the storage of these conch shells when they are fresh. Introduction of sanitation is an essential need.

(*b*) Fishermen's Societies.

There are about 62 societies with 2,046 members and a paid up share capital of Rs. 63,250. Almost all of these societies work on a credit basis.

The fishermen are very poor, and added to this are some obstacles which very much hamper the progress of these people. They do not work unless they are compelled or necessitated to do so. All these members are uneducated, and the spread of Co-operative education is of primary importance to this class. A union of these fishermen's societies would create many facilities for these people and, if the monopoly of fisheries is secured to them, it would mean a tremendous and lasting benefit. It will mean the adoption of effective measures for transferring the business from the control of the wholesale traders and middlemen to that of this poor class of fishermen. It will engage them in work for the whole year, and their economic condition will improve to a great extent. Fish is an article of daily common consumption in Bengal, and a large quantity of them is obtained from the innumerable marshes of Bengal. This is really a business proposition and the Bengal Co-operative Department ought to try to secure the right of

fishing, on lease or a monopoly, on behalf of a Co-operative organization organised for the purpose.

(*c*) Weavers' Societies.

The number of Weaving Societies is about 200 with a membership of 3,334 and a working capital of Rs. 1,78,596. Most of these societies are affiliated to the Industrial Union. Some of the Societies are supplied with yarn with special instructions to prepare finished goods which are bought up by the Union. Wages are paid according to a fixed scale named *Bani*. Under this system one anna in the rupee is deducted and paid as share capital to the Union. The Union undertakes to find a market for the goods. There are other societies which are working on the yarn-sale system. The weavers purchase yarn through their societies from the Union and the finished product is disposed of by the members themselves. The Union is paid the actual price of the yarn *plus* one anna per rupee on the price. Out of this one anna, three pies go towards the share capital, and the other nine pies are credited to the Union. Attempts are being made to purchase yarn at wholesale rates through forward contract with the mills.

BAJEHAT WEAVING UNION LTD.

This Society was started as a hand-loom co-operative factory in the beginning. It provides work for the unemployed, and the enthusiasm of the members has improved it to a very great extent, and now power looms are being introduced.

The present fixtures consist of one 6 N. H. P. steam engine; one steam pump; one combined winder with 60 spindles; 12 power looms; two 49 R. S. Amgus looms; two 60 R. S. German looms; two 40 R. S. Henry Levisay; two 56 R. S. Henry Levisay; two 40 R. S. Butterworth Dickinson and two 50 R. S. Butterworth Dickinson.

It gives employment to about 50 young men, 20 boys and 16 women. The working hours have been so arranged that the workers who live in that village are able to attend to their house-hold duties conveniently. Besides the power looms, there are about 75 fly shuttle looms to which the cultivators attend in their slack season. This is an excellent arrangement which gives work to the unemployed cultivators.

4. Zamindari Societies.

The Bengal Youngmen's Zamindari Society ranks foremost in this group. It was started to encourage young men to earn their livelihood by farming, and with the object of setting up such men in business or trade. It is to be regretted that the membership has been declining, and though the share capital is also declining the working capital is increasing. This Society has not as yet been able to persuade young educated men to settle down as farmers. A discouraging factor was the practice of subjecting the educated young men to the rigours of tilling and cultivation to which they are neither adaptable nor amenable by

heredity or by up-bringing. This is a mistake which ought not to be repeated for, it is sure to scare away many. They should be given easy and more congenial work to start with.

XI. ANTI-MALARIAL SOCIETIES.

In the whole of India, Bengal has stolen a march over other Provinces in this respect, by the introduction of such Societies of Rural Sanitation for rural reconstruction and village improvement; and a problem like this is so vast and complex, needing a minute knowledge of local conditions that it is well nigh impossible for an outsider to do any appreciable good unless the villagers take it upon themselves not only to co-operate with him but also supplement him in his work.

There are about 98 Anti-malarial Societies in the Province with a membership of about 2,251, and the work done by these societies is evoking great popular appreciation, and stimulating to more concerted and intensive action.

There is a central society at Calcutta which aims at (*a*) taking preventive measures against malaria, *Kala-azar*, small-pox, etc., and making sanitary improvements through those societies that are spreading in the Province to a great extent; (*b*) carrying on propaganda work for the furtherance of the sanitary condition of the rural population.

This central society is attempting to combine the Anti-malarial and Rural Societies into

a federation to work in the whole of the Presidency, and to achieve the work of rural reconstruction by representatives of the Rural Societies. The attempt seems to us, to be too ambitious, for, the fusion of two Societies working for different aims might end in failure for both or, at best involve them into innumerable entanglements. It is, therefore, necessary to allow them to develop independently and separately, and if the future warrants, attempt a consolidation.

These Societies have opened up a vast field for the medical men who were hitherto handicapped by keen competition in the limited sphere of the towns and cities. One doctor to a village will mean more scope for these medical men who are best fitted to advise and guide these villagers in improving their health and sanitation. These qualified medical men will help in driving out quack doctors who are regular pests that feed on the life of these ignorant folk. This experiment will, to a great extent, mitigate and prevent the oft-recurring epidemics; as also enable a proper investigation into and study of the causes of these diseases and their cures for, "the maintenance of scientific indices of diseases will greatly facilitate accurate and scientific investigation of diseases," in the village with the result that proper care will be taken to remove these at an early date.

XII. BENGAL PROVINCIAL BANK.

The Bengal Provincial Bank in Calcutta has no direct dealings with any primary societies in the matter of loans. About 140 central societies are its members with a share capital of Rs. 8,09,600. Every central society has to pay a fee of Rs. 20, as admission fee, and for the purpose of loans, a member has to purchase shares when a loan will be granted equal to ten times the share or shares purchased. A primary society also can be a member for the purpose of deposits only. No individual member is granted loans even on the security of deposits made by him.

The repayments are made according to *Kists which are arranged according to the transactions* with the primary societies. In April 1926, the Provincial Bank of Bengal obtained a loan from the Madras Provincial Bank in the shape of deposits at an average rate of interest at 4% or 5%.

There is no directing manager to go the round of the central societies as in the other big provinces. This bank is in a way the Financing Advisory Board of the Registrar of Co-operative Societies, Bengal. The central banks are quite independent of this bank, but submit a monthly and annual report of the financial standing of the societies attached to them. No extra charges are made for deferred payments of loans.

The Provincial Bank accounts are not audited by the Government auditors, but are audited always by Chartered Accountants. The central

banks' accounts are audited by Government auditors. The loan application from a central bank comes through the Assistant Registrar whose recommendation is necessary for its grant.

The surplus co-operative moneys accumulated in the provincial bank are, in the slack season, made available for the needs of outside trade and commerce through joint stock banks.

XIII. OFFICIAL & NON-OFFICIAL SIDE OF THE MOVEMENT.

The Movement is largely due to official initiation, and almost its whole machinery is run by official agency. The non-official side of it is gaining ground as the Movement is beginning to be appreciated by the public. It is very encouraging to find that Bengal is doing much in the line of co-ordination of existing societies rather than attempting an expansion of the Movement. This means a safer and sounder basis for future extensions. The official side of the Movement is very enthusiastic as it is composed mostly of men who are allowed to work in their own respective localities without any superimposition from above or outside. Bengal is fortunate in having a man of its own province as its head in this matter. He has been for long attached to the Movement in the province and as he thoroughly understands all its inner workings, he can spot out and remedy at once any defect. His knowledge added to his vast experience has done much to improve the condition of the Credit Societies which are doing useful work.

CHAPTER V.

THE UNITED PROVINCES.

The total area of the United Provinces amounts to 1,06,295 square miles, and it has a population of 46,510,668. The present designation came into effect in 1902. It is divided into three main areas—(1) Portions of the Himalayas including the Kumaon Division consisting of three hill districts, two of which are entirely in the hills and one is half in the sub-montane belt, the sub-Himalayan tract. (2) The great Gangetic Plain and (3) Portions of the hill systems of Central India including Bundelkhand. The Gangetic Plain is protected by an extensive canal system which though somewhat liable to run short of water in extremely dry years, is of great benefit in normal years and years of mild drought. The first of these tracts is infertile and supports a very sparse population and the central plateau is almost equally infertile though better populated. The soil of the Gangetic Plain possesses extreme fertility, and here the density of the population rises from 512 persons per square mile in the west to 549 in the centre, and 718 in the east, which gives the province as a whole a greater population pressure on the soil than in any other province in India.

The principal industry is agriculture which supports no less than 75% of the population.

Land is held mostly on *ryotwari* tenure in Bundelkhand and Kumaon, on *zamindari* tenure in Agra, and *taluqdari* tenure in Oudh. The principal land owners in Oudh are the *Taluqdars* some of whom own very large estates.

Cotton is ginned and spun in the whole province as a home industry. In 1901 a million persons were entirely dependent on weaving, 140,000 on spinning and 186,000 on cleaning, pressing and ginning, but during the last decade these industries have been on the decline.

II, HISTORY OF THE MOVEMENT.

In 1900, Mr. Duperneix was first appointed by the Government to make enquiries into the indebtedness of the villager and to suggest what measures could be adopted to remove it in the Provinces. He wrote a book called the 'People's Banks in Northern India' which was the result of his enquiries. In the meantime the Director of Agriculture was asked to facilitate the organization of some Co-operative societies, and a special staff was provided for him for the purpose. Some societies were organized and styled Affiliated Societies.

Affiliated Societies were not based on any particular system. They had joint responsibility without any share system of the Raiffaissen type. After the passing of the Act of 1904, Mr. (now Sir) J. Hope Simson, I.C.S., was appointed as the first Registrar by the Government. The societies were financed by the Government under the *Takavi* Loans Act or Land Improvement Act,

or sometimes by banks then known as Urban banks. A member could borrow to the extent of Rs. 1,000/-. A society's jurisdiction was not confined to one village only. The members did not generally know one another and so the responsibility did not devolve on anybody in particular. Loans were granted according to one's own requisitions, without the need for any express statement of their use. Loans were granted on application. These societies did not show much of practical moral or material advancement, nor was any order or system found in their working.

Such a system of ill-ordered affairs, could not be allowed to exist for a long time. Education of the villagers was ignored and the dissemination of co-operative principles was not at all undertaken. The loans were not repaid, and all this misarray and complication brought the affairs to an impasse. In 1910 the present system of co-operative societies on the Raiffaissen basis was started. A bank at Badaon was organized and a good start to this was given by the introduction of a proper system of working. There are some banks still in the province which grant money as loans to individuals, but this system is getting into disfavour now. After 1920, the town banks were converted into central banks, the present system eliminating the provisions regarding the advancing of loans to individuals, and all societies borrowing loans were included as members of the bank.

There were no supervisors employed by

Land is held mostly on *ryotwari* tenure in Bundelkhand and Kumaon, on *zamindari* tenure in Agra, and *taluqdari* tenure in Oudh. The principal land owners in Oudh are the *Taluqdars* some of whom own very large estates.

Cotton is ginned and spun in the whole province as a home industry. In 1901 a million persons were entirely dependent on weaving, 140,000 on spinning and 186,000 on cleaning, pressing and ginning, but during the last decade these industries have been on the decline.

II. HISTORY OF THE MOVEMENT.

In 1900, Mr. Duperneix was first appointed by the Government to make enquiries into the indebtedness of the villager and to suggest what measures could be adopted to remove it in the Provinces. He wrote a book called the 'People's Banks in Northern India' which was the result of his enquiries. In the meantime the Director of Agriculture was asked to facilitate the organization of some Co-operative societies, and a special staff was provided for him for the purpose. Some societies were organized and styled Affiliated Societies.

Affiliated Societies were not based on any particular system. They had joint responsibility without any share system of the Raiffaissen type. After the passing of the Act of 1904, Mr. (now Sir) J. Hope Simson, I.C.S., was appointed as the first Registrar by the Government. The societies were financed by the Government under the *Takavi* Loans Act or Land Improvement Act,

or sometimes by banks then known as Urban banks. A member could borrow to the extent of Rs. 1,000/-. A society's jurisdiction was not confined to one village only. The members did not generally know one another and so the responsibility did not devolve on anybody in particular. Loans were granted according to one's own requisitions, without the need for any express statement of their use. Loans were granted on application. These societies did not show much of practical moral or material advancement, nor was any order or system found in their working.

Such a system of ill-ordered affairs, could not be allowed to exist for a long time. Education of the villagers was ignored and the dissemination of co-operative principles was not at all undertaken. The loans were not repaid, and all this misarray and complication brought the affairs to an impasse. In 1910 the present system of co-operative societies on the Raiffaissen basis was started. A bank at Badaon was organized and a good start to this was given by the introduction of a proper system of working. There are some banks still in the province which grant money as loans to individuals, but this system is getting into disfavour now. After 1920, the town banks were converted into central banks, the present system eliminating the provisions regarding the advancing of loans to individuals, and all societies borrowing loans were included as members of the bank.

There were no supervisors employed by

the financing agencies, as is now done. The Government Inspectors did the work of auditing, supervising, etc., but this system failed to work satisfactorily. In the beginning they had no secretaries for every society, but the chief executive of the society was known as the manager and was paid a decent salary. This system was changed as the working capital was reduced, and the societies were limited to a defined area, so far as it was practicable, so that ultimately a village could have a society of its own. When the central societies of the present type came into existence with independent agricultural societies under them, group societies were formed under supervisors appointed by Co-operative Societies.

The quinquennial statistical progress of the Movement in the United Provinces from the beginning till 1925 is as follows :—

Year.	Total No. of Societies & central banks	Total membership of primary societies.	Total capital involved	Total owned capital.
			Rs.	Rs.
1904—05	159	1,22,215	....	....
1909—10	789	49,963	Not known.	563,862
1914—15	2,962	107,781	....	2,315,601
1919—20	3,721	97,086	7,574,992	4,233,713
1924—25	6,000	1,45,149	11,251,863	7,295,319

From the figures given above it cannot be said that the Movement has progressed with credit. "If figures proved progress, the Co-operative Movement might be called progressive, though the markedly small increase in the members as compared with the large increase in the number of societies are not encouraging

features. New members have apparently not been attracted in large numbers because they do not see sufficiently substantial advantages." Figures are not always correct, and even if they were, they cannot show if the movement has a sound basis on which it works. In the United Provinces the Co-operative Movement which has been established there since 1900 ought to have spread by its own momentum, but that is not the case. The central societies seem to have centralized much of the power in themselves, and the primary societies have grown so effete that they cannot even manage their own affairs properly. There may be some exceptions but they cannot be taken to indicate the general soundness in the working of the Movement in the Provinces.

As the Movement was ill-ordered and ineffectual in the United Provinces, the Government constituted a Committee to make enquiries into the matter, a report of which was out in 1926. The Committee was presided over by Mr. Oakdon.

The Oakdon Committee, in its detailed report on the working and the failure of the Movement in the United Provinces, notes it with emphasis that the formation of societies is left to those who do not consider it a responsibility to organize a good society, and "very little attention is paid to this responsible job of forming societies. Organization is in the hands of the central banks whose agents look more to the formation of the societies either as a proof of their own activities or as an outlet for their

the financing agencies, as is now done. The Government Inspectors did the work of auditing, supervising, etc., but this system failed to work satisfactorily. In the beginning they had no secretaries for every society, but the chief executive of the society was known as the manager and was paid a decent salary. This system was changed as the working capital was reduced, and the societies were limited to a defined area, so far as it was practicable, so that ultimately a village could have a society of its own. When the central societies of the present type came into existence with independent agricultural societies under them, group societies were formed under supervisors appointed by Co-operative Societies.

The quinquennial statistical progress of the Movement in the United Provinces from the beginning till 1925 is as follows :—

Year.	Total No. of Societies & central banks	Total membership of primary societies.	Total capital involved	Total owned capital.
			Rs.	Rs.
1904—05	159	1,22,215	....	....
1909—10	789	49,963	Not known.	563,862
1914—15	2,962	107,781	....	2,315,601
1919—20	3,721	97,086	7,574,992	4,233,713
1924—25	6,000	1,45,149	11,251,865	7,295,319

From the figures given above it cannot be said that the Movement has progressed with credit. "If figures proved progress, the Co-operative Movement might be called progressive, though the markedly small increase in the members as compared with the large increase in the number of societies are not encouraging

features. New members have apparently not been attracted in large numbers because they do not see sufficiently substantial advantages." Figures are not always correct, and even if they were, they cannot show if the movement has a sound basis on which it works. In the United Provinces the Co-operative Movement which has been established there since 1900 ought to have spread by its own momentum, but that is not the case. The central societies seem to have centralized much of the power in themselves, and the primary societies have grown so effete that they cannot even manage their own affairs properly. There may be some exceptions but they cannot be taken to indicate the general soundness in the working of the Movement in the Provinces.

As the Movement was ill-ordered and ineffectual in the United Provinces, the Government constituted a Committee to make enquiries into the matter, a report of which was out in 1926. The Committee was presided over by Mr. Oakdon.

The Oakdon Committee, in its detailed report on the working and the failure of the Movement in the United Provinces, notes it with emphasis that the formation of societies is left to those who do not consider it a responsibility to organize a good society, and "very little attention is paid to this responsible job of forming societies. Organization is in the hands of the central banks whose agents look more to the formation of the societies either as a proof of their own activities or as an outlet for their

own employers' idle money than to the character of members." The Committee further held that the accumulation of arrears was a symptom of deterioration and was mainly due to :—

(*a*) lack of supervision,
(*b*) slackness of *Punchayats*,
(*c*) bad seasons,
(*d*) old indebtedness,
(*e*) innate habits of unpunctuality.

Taking all these factors into consideration the Committee recommended the re-organization of the Movement.

The main defect in the Movement is the entire absence of the unofficial element. There is no initiative taken by the general public which in the other Provinces has given the Movement a great impetus. We will give below some of the typical societies of the Provinces which are working on a sound basis and which have peculiar features of their own.

III. FATEHPUR DISTRICT CO-OPERATIVE BANK.

This is a typical co-operative bank which has centralized powers in itself for the benefit of the societies and the members. The Managing Director of the bank is very insistent in his endeavours to educate the members in the principles of Co-operation as he firmly believes that in sound organization alone depends the future stability and progress of the Movement. There are about 83 rural Credit

ocieties in this district—all members of the ank—each of which has an area of 3 miles for ts operations. The bank permits the inhabitants of a neighbouring village within the radius of 3 miles to join an existing society but the number of such members must not be less than 4 or 5 at a time. After they gain sufficient experience, and as soon as other members of that village join, a separate society for that village is formed, and the members of the parent society get separated to form another in their own village. The Directorate does not permit a single village society to exceed 40 or 50 members, and the society is split into 2 or 3 according to the size of the village. In the United Provinces, the share system prevails in agricultural credit societies but the absence of such a system in these societies which number 83 including 3 non-agricultural societies, with a total membership of 2,451, financed by the bank, is explained by the fact that the President of the Board of Directors deprecates very much the calling in of shares, and styles it as another tax on the members. The deposits are of a compulsory nature. At the time of granting a loan to an applicant member, deposit at the rate of one anna to a rupee borrowed, is deducted from the loan and credited to a separate deposit account of the member. This deposit can be raised to Rs. 50/- after which it is not necessary for the member to make any further deposits, and in case of such deposits a member can, if he so desires, raise another sum of an equal instalment of Rs. 50/-in his name fo

which he will get interest annually, as it falls due. The main object of the introduction of this deposit system is to grant loans at as low a rate of interest as possible. These deposits make a member quite independent of the bank. A member should learn independent deposit habits for if he has a deposit he need not borrow but only withdraw his money when necessary and deposit again when he is in a position to do so. The general condition of the members is decidedly improving as they are slowly realising the benefits of deposits. Granting of loans on low interest alone is not all that counts in the Co-operative Movement. It is something more than that. Even if a member has to pay 20 per cent. interest on a productive purpose and earns 20 fold, it does not matter if he has paid 1/20th of the amount that he has earned. It is more a question of learning how to accumulate and how to be independent. That is the object of the Co-operative Movement. Besides we ought to beware of cheap credit which is not unmixed with many evils.

The bank has 3 non-credit urban societies :— 1. The Whip-makers Society; 2. The Country Tanners Society; and 3. The general society for the members of various professions.

The Whip-makers Society has not made much headway as the members are only taking loans from the bank and not joining together for selling their produce. There are several people who are desirous of joining themselves into a joint sale-society so that their joint produce would go to the market and fetch reasonable

prices. Fatehpur is the only place in the United Provinces where whip-makers have made great advancement in making good whips. They can compete successfully with the whip-makers of the European countries. But their petty feuds, and personal rivalry have ruined their trade. It would be a great boon to them if the bank could unite them together for joint sale, and thus better the miserable condition of a class which is deserving of great encouragement.

(2) The tanners are doing creditable work, but they are also suffering from the same disease as the whip-makers. In Fatehpur there is no trade so flourishing as that of the country tanners. The tanning industry is entirely in the hands of the depressed class people who cannot boast of having even one literate man in their community! Efforts have been made to educate them, but success could not be achieved, as the tanners themselves are not anxious to become literate. A society formed by these tanners was always handicapped for want of a literate secretary. Since then a secretary has been found, and it is possible that the tanning industry may make a marked improvement in a very short time.

IV. UNITED PROVINCES POSTAL CO-OPERATIVE SOCIETY LTD.

The Society is in its 11th year now. The purpose of the Society is to give loans at low *interest to officials and to all postal clerks in the* United Provinces. Members have been divided into three classes (*a*) officials and clerks, (*b*) postmen and packers and (*c*) those who do not join the Society for the purpose of taking loans but those for whom the Society stands surety, for their fidelity, in order to get appointed to the Postal Department. An admission fee is necessary for every member, and a member applying for a loan has to buy a share. The members of the (*a*) class have to pay up a share of Rs. 10/–, (*b*) class of Rs. 5/– and (*c*) class of Rs. –/4/– only. In addition to share capital the Society has raised a deposit capital from members as well as from non-members and they are paid an interest of 8% on the deposits. Loans are granted to members only. The working capital of the bank is about Rs. 1,01,630/- which consists of deposit money and share capital. There are about 1,200 members. The Directors of the Society are elected annually at a general meeting and these Directors are also eligible to take loans. No member is permitted more than one loan at a time. In case of necessity a member may apply for a fresh loan when the previous loan amount standing against him will be added on to the new loan, if granted. At the time of granting a loan the borrowing member is required to write a pronote, on which

he is given the loan and which will be returned to him at the time of repayment. Instalments are fixed, and these cannot be extended without the express sanction of the Directorate who may be approached by an application giving reasons for requiring such extension.

The main object of the Society is to grant loans at low interest. The Government has also granted it facilities by remitting postage on the repayments of the loans. In granting a loan, payment is usually made by a cheque. All transactions are being made on paper and no cash is received by the office. The Society does not keep any cash with it. It pays its receipts into the Post Office which transfers the amount direct to the Imperial Bank, and information of the transaction is given to the Society. Loans are granted ten times the fully paid up share. There is a separate small establishment for the carrying on of the business of the Society with an Honorary Secretary.

V. KATRA CO-OPERATIVE DAIRY LTD.

The main object of this dairy is (*a*) to collect the milk of the members and to arrange for the sale of pure milk and other dairy produce; (*b*) to assist its members and to improve their stock of cattle; (*c*) to provide facilities for housing and grazing members' cattle; and (*d*) generally to promote the interests of members. There are only 12 members. Milkmen bring their cows to be milked in the precincts of the Society, after which it is supplied to the consumers.

At an average, about 45 seers of milk are available daily, and the purchasers send their own men to the dairy. The dairy which was working very well under the guidance of Mr. Rajnath Sahib is now in a very bad state owing to lack of supervision.

It is sometimes instructive to give in detail the inner workings of a society that has failed, for then, we can learn from its mistakes and remedy ours. Many such societies could be found round Lucknow and Allahabad. Some of these village societies suffer for want of efficient organization, some societies for want of proper supervision, and again some others for want of proper management. Most of the societies suffer from lack of proper accounting, for it has been discovered that there were no regular entries made of the transactions, and all the business carried on in a slip-shod manner. In some cases payments of the members were not entered in their pass books, and they were so much afraid of the *Sarpanch* that they would go to the extent of eulogising him to his face, but denounce him at his back saying: "this bank has been to us worse than a money lender, we do not want it." A Society is not likely to thrive with such a feeling predominant in the members! These poor men might be blamed for lack of courage, but it is as much due to their ignorance of the principles of co-operation, particularly because they were in no way benefitted by the Movement. Enquiries brought to light a deplorable state of affairs. One member complained that

he was wanting to buy plough-oxen to till his lands, as he did not want to get them tilled by others and lose a share of the produce, he applied to his Society. Five applications fetched no replies at all: but the next one sent with Rupees five was replied to with a promise of getting him money within a month's time! In another Society, manure was to be supplied by the Central Bank of Lucknow: but no supply was made till after two months had passed for manuring the fields. Most of the members had raised up loans from money-lenders to purchase manure in time. There is not much use of such Societies which cannot or, do not supply in time the needs of the farmer. These and many other defects have to be remedied, and eradicated, before a Society can become really useful to its members and justify its existence, and claim to be a Benefit Society.

CONCLUSION.

From our rapid survey of the working of the Co operative Movement in its various forms, in the major Provinces of India, it is abundantly clear that the Movement has made a striking progress. Something substantial is already achieved, but a good deal still remains to be done to make the Movement really and effectively successful. India's economic and industrial progress can easily be achieved by the extension of the Co-operative principle in all the spheres

of her economic activities. Co-operation properly understood and efficiently organised will secure for India all the advantages of industrialism without its evils.' There is only one sovereign remedy for our economic ills, and that is Co-operation in all its forms. Let us imbibe the true spirit of Co-operation, let us extend the Movement on a sound and lasting basis so that it may result in improving the material conditions and promoting the welfare of the masses of India.

LIBRARY
COIMBATORE-3

of her economic activities. Co-operation properly understood and efficiently organised will secure for India all the advantages of industrialism without its evils. There is only one sovereign remedy for our economic ills, and that is Co-operation in all its forms. Let us imbibe the true spirit of Co-operation, let us extend the Movement on a sound and lasting basis so that it may result in improving the material conditions and promoting the welfare of the masses of India.

LIBRARY
1897
COIMBATORE-3

LONGMANS, GREEN AND CO. LTD.
39 PATERNOSTER ROW, LONDON, E.C.4
6 OLD COURT HOUSE STREET, CALCUTTA
53 NICOL ROAD, BOMBAY
36A MOUNT ROAD, MADRAS

LONGMANS, GREEN AND CO.
55 FIFTH AVENUE, NEW YORK
221 EAST 20TH STREET, CHICAGO
88 TREMONT STREET, BOSTON
128-132 UNIVERSITY AVENUE, TORONTO